

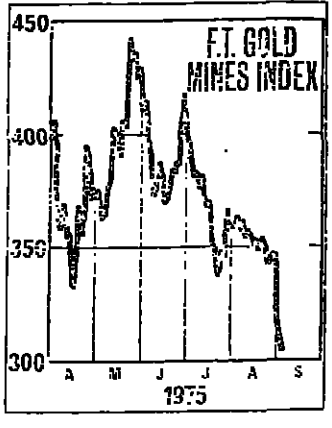
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INDICES SUMMARY

GENERAL More troops pledged by Rees

BUSINESS Gold drops \$6 1/2: Wall St. falls 11.65



Army rejects Goncalves

Egypt offered \$500m. U.S. aid

Smith stymies further talks

Second-hand car dealers jailed

Leicester affray: man charged

Briefly ...

Commons crockery—18,000 pieces ordered from West Germany

Hard winter but no panic measures Healey tells IMF

BY PAUL LEWIS: WASHINGTON, Sept. 2 The British must brace themselves for a difficult winter as there was no chance of an economic upturn before the middle of next year, the Chancellor of the Exchequer said to-day.

Rothschild refuses to head industrial democracy probe

BY JOHN ELLIOTT, LABOUR EDITOR, IN BLACKPOOL LORD ROTHSCHILD, former head of the Government's "think tank" has refused an invitation to serve as the chairman of the Committee of Inquiry into industrial democracy set up a month ago by Mr. Peter Shore, Secretary for Trade.



Lord Rothschild—too many commitments.

London Eating Houses fails

BY ARTHUR SANDLES LONDON Eating Houses, one of the largest restaurant chains in the south of England, has ceased trading. In spite of managerial aid from J. Lyons earlier this year for its Wimpy Bar activities the group closed yesterday.

BL warns of cut in work force

BY ROY ROGERS, LABOUR CORRESPONDENT, IN BLACKPOOL BRITISH LEYLAND last night warned national union officials at home and abroad, cutting costs that its 116,000-strong labour force in its car division would have to be pared substantially, especially on the white collar side.

Reserves fall \$255m. in August

By William Keegan, Economics Correspondent THE U.K.'s official reserves dropped \$255m. last month to \$6,004bn. the Treasury announced yesterday.

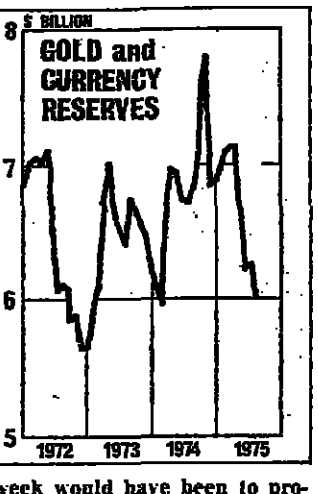


Table with 2 columns: Item, Price. Includes RISES (Blackwood House, Cullen, etc.) and FALLS (Anglo-Thal, British Leyland, etc.).

Table with 2 columns: Reshaping the oil companies, Germany's reflationary predicament. Includes features like Flight trials for selling, Caribbean Development Bank, Corsica's disturbances.

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London Sinfonietta

by DOMINIC GILL

The London Sinfonietta's late afternoon concert played out visually as well as aural. The music, which was broadcast live on Radio 3, was as much a visual feast as an aural one. The orchestra, under the baton of John Neschling, was dressed in a variety of costumes, some of which were quite elaborate. The music itself was a mix of modern and traditional, with a strong emphasis on rhythm and melody. The performance was well-received by the audience, who were clearly enjoying the visual and aural experience.

New Victoria Van der Graaf Generator

by ANTONY THORNCROFT

No one plays music quite like Van der Graaf Generator. The band's music is a unique blend of rock, jazz, and classical, with a strong emphasis on rhythm and melody. The performance was well-received by the audience, who were clearly enjoying the visual and aural experience.

What makes Van der Graaf Generator so special is their ability to blend different musical styles into a cohesive whole. The band's music is both accessible and challenging, making it a favorite among a wide range of listeners.



Palestrina and Byrd

by MAX LOPPERT

Monday's Prom, the second of this season's greatly enjoyable ventures into St. Augustine's, was a choral and viol consort programme planned around two great contemporary musicians of the 16th century, both of whom poured the larger part of their musical wealth into the service of the Catholic Church, and yet who embodied very different musical responses in so doing. Palestrina, idol of the Victorians for an image of chaste musical purity and perfection that still lingers around his name, has today perhaps more to lose by such intelligent close juxtaposition and comparison as implied in the selection of items given by the BBC Northern Singers under Stephen Wilkinson and the Joyce Consort of Viols. The smooth structural moulding of his motets, their concern for the balance of form rather than pictorial piquancy of expression, does not endear him to present-day ears excited by the dramatic harmonic devices of later Italian or, indeed, to many apprentice musicians still taught to consider Palestrina a textbook of contrapuntal ingenuity for forced readings, rather than a composer in his own right.

New Victoria Coppélia

by CLEMENT CRISP

How well Léon Delibes knew account of the second act. His craft. The fabric of Coppélia's overture—the gentle horn melody, then the bright rhythms of the mazurkas—take us into a world where all is for the best, and Hoffmannian magic yields to true love, and no matter what the production, the music's genius carries us along on great spans of happiness. Festival Ballet, once again in their Art Deco nest at Victoria, are giving us a week of peasant jollity, and whatever the loop-holes in the choreographic structure, the ballet will always delight an audience.

Open Air Theatre Sweet Mr. Shakespeare

by B. A. YOUNG

Not Shakespeare's words, but words about Shakespeare, words in his praise and his denigration, true stories and lies, comments and songs. The entertainment devised, and here directed, by Richard Digby Day, is entrusted by the New Shakespeare Company to a team of six players, a singer and a musician, who speak or sing their pieces before



Here it comes again

by CHRIS DUNKLEY

The caption to a cartoon published in the New Yorker many years ago has stuck in my mind and become something of a catchphrase. The drawing showed a man beside a shed in his back garden, desperately hacking with an axe at one of those fast-growing vines, but obviously losing the battle. His wife, from the vantage of the kitchen, can see new branches of the plant creeping round the shed to approach her husband from the rear and she is shouting "Look out—here it comes again!"

It is surprising how often and in how many contexts that phrase has subsequently seemed pertinent. Yet no subject has prompted its use more often than television, and last week the cry was ringing through the house again, at ever decreasing intervals. BBC 1 alone has sent *Royal Match Of The Day*, *It's A Knockout*, *Dr. Who* and *Softly Softly* (with a new police horse and a new police woman) coming up on its once again round the corner of the shed. What is more, looking at the *Radio Times* and *TV Times* for the coming week I can see that I am going to be shouting it even more often in the next seven days or so.

The reason is that although you and I may believe that this week is simply the first week in September, for broadcasting executives it is week 36 and consequently the beginning of the autumn season, when like squirrels or tortoises, we are all supposed to stop gallivanting about and hibernate for a solid winter of box watching. The programmes on BBC1 on the first night of this "new season" —Saturday started with *Elvis Presley* in a 13-year-old film, ended with Michael Parkinson and Bing Crosby, and sandwiched in between them were *Jimmy Hill* in the middle. If that is a "new" season heaven forbid they should ever serve us up an old one.

After being so rudely interrupted by 24 Hours and Midweek even *Tonight* has returned, and although it will be another week or so before it is possible to be sure about the general standard of the programme, it can be said now that the first night gave ample cause for alarm. It showed not only that the factual revelations made in this column two months ago were correct, but suggested that there were very good grounds for the alarm I expressed then.

As was foreseen, different nights of the week are being set aside for various regular spots: foreign reports, outside broadcasts, satire, (hastily re-named "light hearted review" when "satire" was greeted with automatic groans)—and the notion that a daily late night current

affairs programme should be flexible enough to react to the serious events of the day does, indeed, appear to be in danger of abandonment. Monday night's opening programme included a couple of minutes of studio chat between Denis Tuohy and Jim Laker about the Test Match and that was the full extent of the current affairs. For the rest there was an untypical film report by David Jessel (by no means one of his best) on the career of Shirley Temple Black; a brief and untidy confrontation between Malcolm Muggeridge and Alan Brien about Christianity which could have occurred any time during the last 10 years,

or later television would launch at least one drama series that took the world of North Sea oil as its background. It was not quite inevitable, however, that a series of this sort would bear quite such a close family resemblance to *The Power Game*, *The Planemakers* and *The Ventures* as well as other half-dozen big business drama series of the last 10 years whose titles are so forgettable. This time it is Nigel Davenport whose lips have to compress into a dangerously thin line, whose eyes have to glint warningly, and whose commanding voice has to deliver stubbornly to the effect that there is no such word as impossible and that he wants his orders carried out yesterday. As so often in previous drama series the assumption has been made that glamour and excitement can best be achieved via inanimate objects: helicopters, car telephones, bottles of bour bon—all the envy-loaded trappings of modern wealth. In contrast the characters are like something cut off the back of a cornflakes packet.

Of course there have been characterless adventure films that have been saved by unrelentingly vigorous activity shown against dramatic scenery; countless westerns have been enjoyable simply for their exciting dynamism. Not however, *Oil Strike North*. Having directed our attention past the characters and onto the background and the hardware, episode one came up with the phoniest imaginable studio shot of a tropical beach, and later a series of cuts between a tug and an oil rig supposedly experiencing the same North Sea gale in which the tug was, clearly enough, genuinely beating into something like a gale but the rig was filmed in conditions of almost flat calm. The series can only improve.

A disappointingly large proportion of this criticism applies also to *Quiller*, another of BBC 1's autumn offerings. This one was about the secret agent who was first brought to public notice in Adam Hall's 1965 book *The Berlin Memorandum*, and stuff.

Interestingly though, it is not the misogynism nor the patriarchal excesses which give rise to the best lines, it is the highly idiosyncratic flights of fantasy, such as Uncle Mort's: "D'you know who I'd married if it hadn't been customary to marry a woman?" King George the Sixth. If it is all like this I shall never complain about it coming round again. Wonderful *The Berlin Memorandum*, and stuff.

'Dad's Army' for the West End

Dad's Army, invades the West Shaftesbury Theatre on Thursday, October 2, preceded by a week of previews and also an initial season at the Forum Theatre, Lowe as Captain Mainwaring, John Le Mesurier as Sgt. Wilson, and Clive Dunn as Jones, head a 30-strong company which includes all the characters from the BBC-TV series. The production opens at the Roger Redfern.

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ABBEY NATIONAL

New prints at the Tate

Twelve British artists have each donated a print to a portfolio which is to be published in a limited edition by the U.K. National Committee of the International Association of Art. Until mid-September a display devoted to the portfolio will be shown in gallery 16 at the Tate Gallery. The prints encompass many different approaches to print-making, from the wood engraving of Gertrude Hermes and Blair Hughes Stant to a lithograph by Harvey Daniels, the youngest of the group. Robert Adams, Sandra Blow, Terry Frost, Gordon House, Morris Kestelman, Robert Medley, Victor Pasmore, John Piper and Michael Rothenstein complete the list of artists who have contributed to the portfolio. The portfolio will be published in an edition of 100, of which 75 will be for commercial distribution.

Cast for 'The Vortex'

Vivien Merchant will be joined in the revival of Noël Coward's *The Vortex* by Timothy Dalton and Jennifer Hilary. The production, directed by James Roose-Evans, opens on Thursday, October 2, at the Greenwich Theatre, where it will run until Saturday, November 1.

Volker Mitzel in David Hare's new play 'Teach a Smile', which opened last night at the Royal Court

WORLD TRADE NEWS

Airline decision spells end of Boeing 727 plan

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FOLLOWING a decision by United Airlines of the U.S. to "defer indefinitely" a decision on buying the Boeing Series 300 advanced version of the 727 jetliner, Boeing is to drop this project and concentrate instead on its alternative plan for a new three-engine aircraft for the 1980s, the so-called 7X7.

These decisions have far-reaching significance for the rest of the world's aerospace manufacturers, and for the world airline industry. They remove much of the immediate pressure to try to compete with Boeing in developing new projects in the medium-range airliner market, estimated to be worth some \$24 bn. over the next ten years, and will ensure that everyone has more time in which to consider their future plans.

For many months, Boeing, in addition to all its other jet programmes, has been preparing two major new ventures for the future: the 727 Series 300 and the 7X7.

The 727-300 was intended to be an improved version of the existing 727—already the world's best-selling jet with over 1,200 sold worldwide. At an estimated development cost of around \$300m, it

would have entered service around 1977-78.

The 7X7, however, is a more ambitious venture for a larger, three-engine medium-range airliner, costing about \$1,000m. to develop, with airline service in the 1980s envisaged.

Boeing has said all along that, in order not to swamp the market, it would first offer the airlines the 727-300. It aimed this aircraft first at United Airlines, the world's biggest airline, in the hope of an order for at least 50 aircraft from many more on option.

If United had decided to buy, the 727-300 would almost certainly have been swept through the world's airlines with many others feeling obliged to buy it so as not to be left at a competitive disadvantage. This would have meant an early start on production of the bigger 7X7 unnecessary until much later in this decade.

United, however, has effectively turned the 727-300 down, because of current economic difficulties and fuel price problems in the U.S. which have hit its finances and resulted in poor Boeing results this year. This Boeing admits, means that many other potential customers will not now even think of buying the 727-300, making a start on it

undesirable.

Expressing its disappointment, Boeing says that it will now reassign the 300 men working on it to other jobs, and instead of building up labour in anticipation of an early start on a new model, allow the overall workforce to run down at current rates. It will also, however, make "further market assessments" and continue its efforts on the 7X7, on which it has already spent \$40m, with several hundred people employed on it.

The aim will now be to seek a launching customer for the 7X7, with a view to starting production by the end of 1976, and with an in-service target date of 1980-81 in mind. By the end of next year, Boeing hopes the recession will be over, with traffic moving up again and airlines more interested in—and capable of—buying new jets.

Thus, the world's airlines can expect an intensification of the Boeing marketing efforts in the 7X7, and moves by Boeing to sign up collaborative partners on the manufacturing programme in other countries. Already, it has a 20 per cent. participation from Aeritalia, the Italian aerospace company, and it has held talks with the French and Japanese.

Pakistan port hits financial problems

By Iqbal Mirza

KARACHI, Sept. 2. PAKISTAN'S ambitious Port Qasim project has run into serious financial difficulties. Although the Port Qasim authority recently issued a letter of intent to the Romanian state enterprise Contrexim which had offered to build the 800 metre long marginal wharf and also to carry out additional dredging, "financial difficulties were holding up the awarding of contracts for the construction work," according to Federal Communications Minister, Mumtaz Ali Bhutto.

The main difficulty is understood to be the foreign exchange requirements which the Government has not been able to arrange so far. Mumtaz Bhutto however expressed the hope that the construction of the first four berths would be undertaken soon. This would cost about Rs.120m. with a 40 per cent. foreign exchange component. Port Qasim is estimated to cost between Rs.3,000m. and Rs.4,000m.

The Port of Yugoslavia were the lowest bidders for the project but the company withdrew at the last minute and the reason given was "its heavy schedule in the Middle East." Britain's Hydrosul Research Station at Wallingford, Oxford, submitted the sixth and final report on the feasibility of building Port Qasim to the government of Pakistan last month. Britain has already signed an agreement with Pakistan to give \$34m. aid on a grant basis for the first phase of the development. An amount of over Rs.50m. was spent on the project up to last May and the current budget provides another Rs.120m. Port Qasim would be in a position to handle about 10m. tons of cargo and 6.7m. tons of crude oil by 1979-80 and 13.9m. tons of dry cargo and 8.7m. tons of crude oil by 1984-85. On schedule completion of Port Qasim is considered essential as the bulk of the equipment for the Karachi steel mill would be handled at this port.

Soviet experts move into Laos

BANGKOK, Sept. 2. THE Communist Pathet Lao-dominated Government in Laos is expecting a further influx of Soviet technical experts with an eye towards Soviet-financed mineral and water projects, according to sources in the Lao capital of Vientiane.

The sources said the official Lao Press agency disclosed that an advance team arrived in Vientiane on August 18 to make arrangements for a larger group that would do "hydrographic and geological" work in several places in Laos.

The group, which included bridge building and oil storage facility experts, Lao Press said. It said the Russians would also travel to Pathet Lao headquarters in North-east Laos and to Hanoi to see about moving in heavy Vietnamese equipment from North Vietnam.

The press said the group would stay about 11 months and prepare a detailed work plan that would form the basis of a long-term Lao-Soviet aid request from the Soviet Union.

The acting Foreign Minister, Pathet Lao member Phomm Sissavath was quoted in Bangkok newspaper reports last week as saying there were 1,500 Russian advisers and experts in the country. The Pathet Lao denied the report over their official radio. Western sources in Vientiane said it was believed there were about 300 Russians now in the country and that Phomm might have referred to a projected figure when additional aid personnel arrive.

Until last June, the largest aid contingent in the country was an 186-member U.S. Agency for International Development mission. The AID operation was shut down after Pathet Lao instigated demonstrations against it.

IN BRIEF

Barge deal
Pakistan has won a contract worth more than Rs.370m. for the construction of 19 barges for Iran. The contract with the Karachi shipyard and engineering works is the largest order so far secured by the shipyard.

Tanzanian rail
INDIA'S Projects and Equipment Corporation has signed a contract with the Government of Tanzania for the supply of 30 petrol tank wagons, 17 passenger coaches, five steam locomotives, 15 diesel electric locomotives and spares.

Algemeine Bank
Algemeine Bank Nederland (ABN) said it has reinforced its office network in the Arab oil states by opening up an office in Abu Dhabi, capital of the United Arab Emirates. It is the ABN's sixth office on the northern coast of the Arab peninsula after the offices in Dammam, Alkhobar, Bahrain and Dubai.

DC-10 purchase
Martinair, the Dutch charter airline company, announced today that it has ordered a new McDonnell Douglas DC-10 aircraft to be delivered at the end of next year at a cost of over \$20m. The airline, which is awaiting delivery of its second DC-10 in December, was the only Dutch airline to make a profit last year.

AMERICAN NEWS

Simon warns OPEC not to increase oil prices

BY PAUL LEWIS, U.S. EDITOR

THE OIL exporting countries will be jeopardising the whole world's chances of economic recovery if they try to increase oil prices again at the OPEC meeting in Vienna later this month, the U.S. Treasury Secretary, Mr. William Simon, warned at the annual ministerial meeting of the IMF here today.

His sharp remarks echo those of Dr. Kissinger, the Secretary of State, in his major speech on U.S. relations with the developing world at the U.N. yesterday, and stand in pointed contrast to the sympathetic view which the Ford administration is now taking towards the problems of the non-oil producing developing nations, along with other industrial countries.

Taken together these speeches imply that the U.S. will react very strongly to any increase whatsoever in the oil price this year, even one designed purely to compensate for world inflation. Indeed, it is now hard to believe that the Ford administration would continue with its efforts to promote a dialogue between oil producers and consumers with any conviction, if OPEC increases the price at all. Mr. Simon said today that

current price levels could not be justified on any grounds and that while the world was adjusting more successfully than expected to the financial imbalances set up by the price rises of 1973, it was finding it much harder to deal with the problems of inflation and recession to which they had also contributed. He also pointedly stressed the efforts that the U.S. had already made to promote the development of the OPEC countries, with its proposals for a dialogue between producers and consumers and its bilateral assistance programmes with most of the largest exporters.

Towards the non-oil producing developing countries, Mr. Simon struck a conciliatory note, giving full backing to the proposals made by Dr. Kissinger at the U.N. yesterday for assisting them. His general approach was also endorsed by the British Chancellor, Mr. Denis Healey, who told a Press conference that he now felt that the American and Commonwealth initiatives in this area had greatly reduced the chances of a paralysing confrontation between rich and poor in the U.N. and other world bodies.

WASHINGTON, Sept. 2

Mr. Simon also filled in a number of gaps in Dr. Kissinger's proposals for a new compensatory financing facility in the IMF, which would help sustain the export earnings of the Third World. He made clear that the new facility is regarded by the U.S. administration as preferable to an extensive system of commodity pricing arrangements endorsed by the UNCTAD, and which got backing from many developing Commonwealth countries at last week's meeting in Guyana.

Finally, Mr. Simon called on the International Finance Corporation, a branch of the World Bank charged with promoting private investment in the developing world, to expand its activities, and pay special attention to increasing private investment in mineral and other raw material production throughout the Third World.

Both the U.S. Treasury Secretary and the British Chancellor made clear at their Press conferences today that they did not expect the agreement on Gold and IMF quotas to have any great effect on the international economic system.

Senators to probe foreign loans

BY GUY DE JONQUIERES

NEW YORK, Sept. 2.

MAJOR U.S. banks are shortly to be asked by a Senate subcommittee to supply information on their loans to and deposits from a variety of foreign countries in an effort to determine whether these commitments involve a threat to the stability of the American banking system.

The subcommittee has prepared a list of about 20 countries whose ability to repay loans it has classified as "questionable" and which could pose a credit risk. Britain is on this list, as are Italy, Indonesia, South Korea, Taiwan and the Philippines.

The subcommittee will also ask for details of deposits

received from OPEC nations with a view to determining whether the sudden withdrawal of these funds could cause serious problems for the banks holding them. It will also try to discover the extent to which these banks' policies are susceptible to pressures from large foreign depositors.

The questionnaire, which is expected to be sent out to about 20 banks within the next few days, has been prepared by Senator Frank Church's subcommittee on multi-national corporations, which has recently taken an active role in investigating the use of bribes by American companies to promote their business abroad. There appears to be a general

feeling on the subcommittee that U.S. banks' overseas transactions are not subject to sufficiently tight supervision and that there may be a need for new legislation in this area. Senator Church charged recently that American banks with overseas operations "do business on a laissez-faire regime similar to the one in the United States in the pre-depression era."

Earlier this year a request by the subcommittee for information on foreign loans and deposits was rejected by the largest U.S. banks. The latest questionnaire has been prepared with the advice of the Federal Reserve Board, and a number of major banks have indicated that they will comply with it.

Peron may go on holiday

By Robert Lindley

BUENOS AIRES, Sept. 2.

THERE ARE indications that President Maria Estela Peron will soon begin a prolonged holiday, possibly of 45 days, leaving her executive duties in the hands of Senate Chairman Italo Luder.

Reports to this effect have come from some of the 20 Peronist Senators and their wives who were received by Mrs. Peron at the Presidential villa on Sunday. According to one of those in attendance, the President told them that her doctors had advised a complete rest for her, and she said that "the country will be left in good hands," meaning those of Senator Luder.

'Northrop proposed bribe'

SAUDI ARABIAN businessman

Mr. Ahmad Al-Khazoggi says he pocketed a bribe worth Northrop Corporation wanted to give the commanding general of the Saudi Arabian Air Force.

In an interview in Beirut, Mr. Khazoggi told the Washington Post newspaper that he was Northrop, not he, who in 1971 "cooked up" a bribe worth \$250,000 to General Hashim M. Hashim in an attempt to buy his co-operation in approving arms contracts for the corporation.

Mr. Khazoggi said he acted to keep Northrop from "putting themselves in a bad position" by doing something "stupid." He didn't think the General had earned it, he said of the money. "I worked harder than he did on this."

U.S. ORDERS RISE

WASHINGTON, Sept. 2.

NEW ORDERS for durable goods rose a seasonally adjusted \$1.7bn. or 4.3 per cent, to \$14.4bn. in July, the Commerce Department said. At the same time, inventories fell \$950m., or 0.6 per cent, to \$147.1bn.

In June, new orders totalled \$38.7bn., up from May's \$39.4bn. Reuter.

THE CARIBBEAN DEVELOPMENT BANK

Grumbling from the LDCs

BY TONY COZIER, BRIDGETOWN CORRESPONDENT

OFFICIALS of the Caribbean Development Bank have been taken aback by some sharp recent criticism from leaders of two of the Bank's less developed members.

Mr. George Walter, the Premier of Antigua, referred to two instances which led him to tell radio listeners that he was "very happy" with the functioning of the Bank. His Government, he said, had waited two and a half years for a loan from the Bank to start a housing project without result and he and fellow politicians had made promises to their electorate on the expectation that the money would be forthcoming. In addition, Mr. Walter said, the Bank had given a potential investor in Antigua tourism the impression that it would help finance his project and then two years later told him that it was no longer interested.

Mr. Walter made no effort to hide his feelings. It was, perhaps, unfortunate that he chose to make his comments on a programme broadcast throughout the Commonwealth Caribbean to mark the anniversary of the formation of the Caribbean Community (Caricom), but it did reflect the growing frustration of the smaller, poorer members of the Bank with their continuing economic stagnation. Many, like Mr. Walter and Mr. Eric Gairy, the Prime Minister of Grenada, are inclined to blame the Bank from which they all seemed to have expected miracles. Mr. Gairy, on the same programme, chose to attack the Bank for the slowness with which approved loans have been disbursed. It was mainly at his request that the Bank's Governors from the less developed countries, the so-called LDCs, attended a meeting in St. Kitts to discuss the Bank's functions. The Bank, established in January 1970, is expected, according to its Charter, "to contribute to the harmonious economic growth and development of the member countries of the Caribbean and to promote economic co-operation and integration among them, having urgent and special regard to the

needs of the less developed members of the region." In its first five years of operation, the Board of Directors approved loans totalling US\$33.6m., the great majority of them to the less developed members of the region.

Why, then, are the attitudes expressed by Mr. Walter and Mr. Gairy so uncomplimentary? The answer, simply, is that the Bank tends to get the blame for its own and everyone else's shortcomings. Even its own President, Mr. William Demas, the former Secretary-General of Caricom, admits that, before he came to the Bank, he shared the widespread view that the Bank's own procedures were responsible for the delays. Of the US\$33.6m. in loan agreements signed since the Bank was formed, only \$11.5m. has been disbursed. After nine months the Bank has changed his opinion. He has discovered that what must be speeded up most are the internal borrowing procedures of the borrowing governments. In particular, he notes, the governments of the LDCs "long used to the relatively straightforward procedures of traditional bilateral aid from the metropolitan countries, still find some what novel the procedures of a multi-lateral financing agency."

In light of this, the efforts made by Mr. Gairy to get donor countries to channel their aid direct to individual governments rather than through the Bank become more understandable. However, perhaps even more so than most international and regional development banks, the CDB must have lending procedures which ensure that the projects financed are likely to make a contribution to the economy of the borrowing country and that the money is indeed used for the purpose for which the loan was made. The several experiences of the British Government in being unable to fund for development aid funds are well known to those in charge of the CDB. Yet the time-consuming procedures and paperwork are not the sole reasons for the slow rate of disbursements. Among the Bank's smaller members, there is an acute shortage of professional and technical personnel and all are overworked at the best of times.

They can neither be expected to identify and prepare projects for presentation to the Bank, nor to undertake the necessary groundwork to get projects under way once the money has been approved.

The Bank has been making efforts to overcome these problems. For three years, it has sent its qualified staff to the LDCs. This fund, to be financed by the Bank's weather-beaten but would be used to help pay for the creation of common administrative and technical services among the LDCs. It would also assist individual LDCs. Mr. Demas, a strong supporter, like many others of a political union between the Windward and Leeward Islands but falling far short of the rationalisation of their administrations is a persuasive. A system of pooled resources, would allow a better use of the limited managerial resources in the public sector and, also, attract more of their top-level personnel into the public sector.

Mr. Demas has also identified another major problem confronting the LDCs in their relationship with the Bank. It has been caused by a worldwide economic crisis which hit them particularly hard. According to Mr. Demas in his address at the annual Board of Governors meeting, it has been "virtually impossible for these governments to provide for their own resources. The required counter contribution to Bank-financed projects and to recruit and retain the necessary staff for implementing such projects." In addition, he pointed out, the Windward and Leeward Islands have no independent currency system so that they also face difficulties of internal liquidity. The countries with independent monetary systems and Central Banks, such as Barbados, Guyana, Jamaica and Trinidad and Tobago, for instance, have not suffered liquidity problems as such, though they have balance of payments problems which have been alleviated by international monetary institutions. On the other hand, the

Ecuadorean coup leaders jailed

QUITO, Sept. 2

THREE SENIOR Ecuadorean Army officers were in here today for leading abortive rebellion against Government of President Guillermo Rodriguez, which left at least 20 dead, official sources said. Raul Gonzalez, chairman of the Joint General Staff, rendered in the face of a overwhelming odds after capturing the Presidential Palace yesterday following 10 hours bloody fighting.

President Rodriguez, had managed to flee the Palace when the fighting started around midnight, later turned to Quito on the head of an armed column from the city of Rio Banos, south here.

"The subversive military men and civilians will be punished with the full weight of the law to answer to Ecuadorean people for causing the damage they have caused," he said on his last night. "They will be again be able to repeat like those seen today."

The President also imposed a curfew from 9 p.m. to 5 a.m. today. General Gonzalez, the two other rebel officers, General Juan An Inspector-General of the Army and Colonel Jorge Ceval head of the military zone in included Quito, were taken prison after being held a night in a city centre club. Seven other rebel officers and a group of civilians surrendered or were captured although this could not be officially confirmed. Reuter.

25 arrested in New York fare protests

NEW YORK, Sept. 2

AT LEAST 25 people arrested today when New York "straphangers" subway bus passengers' protest against steep fare increases. The increases in which fixed bus and subway fares went up from 35 to 50 cents, normal rail fares have also by about 25 per cent—were posed to try to prevent the hidden city going bankrupt.

Small groups staged demonstrations outside subway stations during the morning rush, and encouraged passengers slip under turnstiles instead paying their fares. Police forced for the day, farmers in front of the turnstiles charged a small number of demonstrators with disorderly conduct. Others were sent through the turnstiles to their cars.

At the same time State Governor Hugh Carey was trying win support for a formal vote to save the city from default on its debts within days, call for bank loans of \$1.25bn. as direct State loan to the city \$750m. Reuter.

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OVERSEAS NEWS

Sadat bids to sell peace agreement

BY HSAN HIJAZI

BEIRUT, Sept. 2.

WITH ARAB reaction to the demned accord as one of muted or hostile, President Sadat of Egypt is embarking on an extensive diplomatic drive to explain his position to other Arab leaders.

He was to-day sending his Vice-President, Mr. Hosni Mubarak, to Damascus and Riyadh with messages to President Hafez Al Assad and King Khalid. Messages to other Arab Heads of State were expected to follow.

Palestinian guerrillas have rejected the accord outright, and have hit out strongly at its sponsor, U.S. Secretary of State Henry Kissinger. The commander, Yasser Arafat, in a speech at a ceremony here last night, condemned what he described as "Kissinger's friends" and declared: "We are not alone, and the U.S. and Israel are wrong to assume that the Egyptian army will stand idly by if the Palestinian resistance movement is hit. Peace in the Middle East will not be an American peace but a Palestinian one."

Informed sources here expect the guerrillas to escalate their activity against Israel within the coming months or even weeks. Pressure is bound to come from Syria as well to achieve some Israeli pullback from the Golan Heights before November 30 when the mandate of U.N. forces there expires, the sources said.

The leftist press here to-day criticised the Sinai agreement sharply. The pro-Libyan daily As Saif said that by renouncing the use of force in settlement of the conflict with Israel, Sadat has taken Egypt out of the war until further notice. The pro-Baghdad daily Beirut con-

THE MILITARY aspects of the new Egyptian-Israeli interim settlement were aptly summed up to-day by the Jerusalem Post. "Militarily, it is a compromise between Egypt's desire to eliminate Israel's strategic command of the Suez Canal area, and Israel's desire to retain effective control of the Sinai passes," the paper commented.

Like all compromises, both sides have something to show. All the same, it is hard to escape the conclusion that Israel still retains the edge in strategic control of Sinai. The central area of negotiations on the military front was the extent and nature of control that Israel would retain over the two vital Sinai passes—the Mitla and the Giddi. These begin roughly between 25 and 30 miles from the canal and extend to a depth of some 22 miles, affording the sole means of entry through the massive mountain range which protects northern Sinai.

Although the technical teams on the two sides will have to work out in Geneva the precise lines on the ground, the broad situation was published yesterday. The compromise reached is an ingenious one. Israeli forces will have to withdraw from the western approaches to the passes, right back almost to their end, where they will be permitted a limited military presence. The Egyptian passes have only been marginally extended, but there has been a substantial increase in the size of the buffer zone under U.N. supervision covering

almost the entire pass area. By agreeing to one Egyptian surveillance station, "super-vised" by Americans (on a well-chosen hill right forward in the Giddi pass), Egypt will be able to have advance warning of any military activity by the Israelis. The latter have been allowed to retain their surveillance station, again supervised by U.S. personnel, at Umm Khashiba. This is near the front of the Giddi pass, facing the canal, and able to monitor activity along the canal and even deep into Egypt proper.

Although the passes have in effect been demilitarised, the Israelis still dominate the two sides and control the important Wadi Jundi leading down to Ras Suder on the Gulf of Suez. The Israelis, like the Egyptians, will be permitted a maximum of 8,000 men in the band of the new limited forces zone. However, the advantage enjoyed by the Israelis is that behind their limited forces area, they can retain troops and weaponry in whatever strength they like. The Egyptians, on the other hand, can only have 8,000 troops, plus 75 tanks and 60 artillery pieces on the east bank of the canal.

It could be argued that the canal with new bridging by the Egyptians means that the old barrier of the waterway is substantially reduced. All the same, it still remains a barrier. One of the advantages of holding the passes was that relatively few men were needed to hold them while reserves could be mobilised and reinforcements brought

up. The new positions at the end of the passes could need more. If indeed the Israelis intend to make these new defensive positions.

One other feature which could make Israel's defensive task easier is the creation of a major part of the new line running down from Suez to the Abu Rudeis oilfields into a new militarised zone under Egyptian civilian administration. The new agreement may well mean that the Israeli military will begin thinking of their key defence lines as being taken much further back—for instance, to the El Arish, Bir Hassanah, Kuntilla triangle. Israel has been able to retain the important airbase of Bir Gafesa, sited near the Giddi pass. However, Israel will have to give up and move out of several strongholds established often since 1967 in the north of the line near the Mediterranean.

Principal among these is the "Budapest" stronghold, which commands a view of the entrance to the Suez Canal and which was the only outpost on the so-called Bar Lev Line, not to fall during the Yom Kippur war. All fortifications in the new zone which could serve the Egyptians if they advanced will, according to local press reports, be demolished. Israel is reportedly asking the U.S. for some \$150m. to cover the cost of dismantlement and the construction of new positions.

According to the military correspondent of the Jerusalem Post, the Israeli pullback "is likely to see a shift from a defence based on a solid line of obstacles to a combination of fortifications and mobile

forces which could be deployed to counter enemy thrusts." This system will necessitate construction of a road network on which the engineering corps is already reported to be working.

Of course, the aim of the agreement is to pave the way for a stabilisation of the military situation on the Sinai front and, hopefully, towards an eventual demilitarisation of Sinai. One of the reasons why the Israelis were prepared to contemplate forgoing their hold on the passes was that the previous 1974 disengagement agreement with Egypt was observed.

Perhaps one small indicator of cautious confidence has been to permit aerial reconnaissance by the two sides up to the middle of the new buffer zone. The previous disengagement agreement did not permit this although the buffer zone was far narrower.

Indeed the buffer zone in the new agreement goes up to almost 30 miles in the two passes, which in itself offers a guarantee against a war of attrition. This factor is also underlined by the elimination of any weapons in the limited forces area which can reach the other side's front line.

However, the major new stabilising factor is the presence of American personnel—provided Congress approves—controlling six of their own surveillance stations (three manned and three unmanned) plus their supervision of Egyptian and Israeli stations all in the buffer zone.

Analysing the Sinai accord

BY ROBERT GRAHAM, MIDDLE EAST CORRESPONDENT, IN JERUSALEM

JERUSALEM, Sept. 2.



Egyptian and Israeli lines following the interim Sinai agreement signed on Monday. The dotted line separates the new Israeli line (1) from the new Egyptian line (2), which is the old Israeli line. The shaded area east and west of the lines will be limited to reduced forces. The old Egyptian line is shown (3) while the darkened area to the south will be limited to UN observers and Egyptian civilians.

'Eritrean situation is getting worse'

By Our Own Correspondent

ADDIS ABABA, Sept. 2.

ETHIOPIA'S MILITARY rulers have publicly admitted for the first time that the security situation in the troubled northern province of Eritrea is getting steadily worse.

A Government statement over Radio Ethiopia said all attempts to maintain law and order in the former Italian Red Sea colony had failed.

The statement accused the Eritrean rebels and their supporters of infiltrating Ethiopia's Socialist revolution in a concerted effort to frustrate its objectives and said the rebels were being given increased military and moral assistance by unnamed Arab countries.

The Government admission came only hours after the first session of the high-level inter-ministerial committee set up with the express purpose of finding a permanent solution to the Eritrean problem.

The full-scale review of the Eritrean situation comes amid reports of growing disenchantment within the armed forces over the conduct of the fighting there especially among units of the second army division which has reportedly suffered mounting casualties over the past few months.

Mr. Smith adamant on Rhodesia bar of exiles

BY TONY HAWKINS

SALISBURY, Sept. 2.

DESPITE persistent reports from Zambia that the deadlocked Victoria Falls talks may be resumed next week, Mr. Ian Smith, the Rhodesian Prime Minister, remains adamant that he will not allow entry to Rhodesia of certain exiled African nationalists, the issue on which the talks stalled last week.

In successive statements on negotiations with the African National Council (ANC) Mr. Smith appears to be digging in his heels ever more firmly. On South African television yesterday he said he did not believe "we should ever have Black rule in Rhodesia. We should have failed in our objective."

In an interview with a BBC reporter, while acknowledging that the talks had "not necessarily" come to a complete halt, Mr. Smith again refused to countenance either the return of the banned ANC delegates or to accept that an international zone might be set up around the Victoria Falls in which the safety of the exiles would be guaranteed.

It is far from clear here whether the planned meeting in Lusaka at the week-end of the Presidents of Tanzania, Mozambique, Botswana and Zambia will take the talks issue any further, while there is considerable

confusion surrounding the new open breach within the ANC following the Lusaka announcement that the former ZANU leader, Ndabaningi Sithole, had been appointed chairman of the ANC's external wing. This was immediately disavowed by four ZANU members of the external council, all of whom are supporters of Mr. Joshua Nkomo.

In Salisbury, Mr. Nkomo's supporters have described the Sithole appointment as "unconstitutional" and denied claims that it was agreed by the national executive. To-night, Dr. Elliot Gabellah, vice-president of the ANC, said he had called a national executive meeting for September 21 to clarify the position.

It will be the first such meeting inside Rhodesia since June 1, when the executive broke up in disorder as supporters of the ANU and LAPU factions clashed outside the hall where the meeting was being held. The police opened fire and eight Africans were shot dead in the subsequent disturbances.

Meanwhile, the Rev. Sithole, in a statement issued in Lusaka, said the ANC would shoot its way into Rhodesia "if Mr. Smith did not grant immunity to exiles based on the constitutional talks."

Editorial comment, Page 14

Sri Lanka sackings

COLOMBO, Sept. 2.

SRI LANKA'S Prime Minister Mrs. Sirimavo Bandaranaike to-day dismissed three Trotskyist Ministers from the five-year-old united front Government, climaxing a three-week political crisis.

A brief six-line communique issued by the government information department said the three Ministers members of the Lanka Sama Samaja Party (LSSP), Finance Minister N. M. Perea, Transport Minister Leslie Gooneratne and Plantation Industries and Constitutional Affairs Minister Gopin de Silva, had been removed from office.

The communique was issued minutes after Mrs. Bandaranaike accused the Trotskyists of creating a crisis to destroy the unity of the ruling coalition.

Hanoi in gesture to Washington

By Our Asia Correspondent

PHAM VAN DONG, the North Vietnamese Premier, has again offered diplomatic relations and friendship to the U.S. Government, but only if Washington is prepared to abide by the Paris peace agreements.

Under these, America pledged considerable sums of aid to assist in rebuilding Vietnam, but many Washington officials regard the Paris accords as dead because of Hanoi's aggression in bringing about the downfall of President Thieu's regime in South Vietnam.

The North Vietnamese Premier made the offer at a mass rally in Hanoi to mark the 30th anniversary of the founding of the country.

In his speech, monitored by the BBC, he spoke of the "unification" of Vietnam which he said had already been achieved. Mr. Dong said: "The great success of the anti-American resistance has led to an inevitable result: unification of the Vietnamese fatherland. Unification of the fatherland now is based on the fact that the entire country has become independent and free and is building socialism. At present 46m. Vietnamese are jointly striving to build their country into a prosperous and strong state."

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FT9

EUROPEAN NEWS

Portuguese army rejects
Goncalves appointment

BY JANE BERGEROL

TANCOS, Sept. 2.

ARMY OFFICERS meeting here today refused to accept Gen. Vasco Goncalves as Portugal's new armed forces Chief of Staff despite a dramatic last-minute bid for support by the Communist sympathising general and former Prime Minister.

The 200 officers who began meeting 80 miles north of Lisbon at eleven o'clock this morning were surprised when Gen. Goncalves this afternoon presented a document to the assembly designed to rally dissenters and ostracise moderates from the group of nine led by former Foreign Minister Major Melo Antunes. After feeling the hostility towards him, the general stormed out, despite attempts by COPCON security chief, Gen. Otilio Saraiva de Carvalho, to calm him and persuade him to stay on.

The army meeting was continuing late tonight but officers from all three factions—moder-

ates, extreme Left and pro-Communist—appeared on friendly terms and determined to see that a degree of unity emerges which could help solve Portugal's current political crisis.

President Costa Gomes had personally postponed the swearing-in of General Goncalves as Chief of Staff today because he had strong indications of the anti-Goncalves trend in the army. His manoeuvring in the past month to oust Goncalves without provoking a head-on confrontation between the opposing factions of the armed forces movement now appear to be near success.

Preparations were also under way for air force and navy assemblies tomorrow. At the Tancos parachute base, officers denied rumours put about in Lisbon's Communist-dominated papers that the air force assembly was being flushed clean of its "progressive members," and said the usual repre-

sentatives would be attending. Whether the naval assembly tomorrow can also be brought around to a less radical position will depend to a great extent on Admiral Rosa Coutinho, who is expected back from a Latin-American visit to chair the meeting. He has been known in the past for his conciliatory attitude and is likely to want to support the new Prime Minister, as a longstanding naval colleague.

Meanwhile, the Prime Minister, Admiral Pinheiro de Azevedo, continued talks aimed at forming the country's sixth Government since the April 1974 coup. The Prime Minister has said that he still hopes to form a new Government with the Socialists, Popular Democrats and the Communists. Socialist Party leader Mario Soares has said, however, that he will not allow his party to take part unless General Goncalves is fired as armed forces chief of staff.

Three more Spanish leftwingers
accused of policeman's murder

BY ROGER MATTHEWS

MADRID, Sept. 2.

THREE MEMBERS of an extreme left wing group have been accused by Spanish police of the murder of a guardia civil in Madrid last month and under the new anti-terrorist law the death penalty should automatically follow. Another five alleged members of FRAP—the Anti-Fascist Patriotic Revolutionary Front—are already facing the death penalty for killing another police officer two weeks earlier.

According to today's police statement the latest three to be arrested have admitted to the murder. Their individual roles are detailed in the statement which has been given extensive press coverage. They are said to have been acting under orders from the Marxist-Leninist splinter section of the Communist Party which, in March this year, decided to embark on a terror campaign against the security forces.

Meanwhile the lawyers of two young Basques sentenced to

death last week by court martial for killing a guardia civil have appealed to the supreme military tribunal. The tribunal has ten days to consider the appeal. If they decide against it, as expected, only General Franco can commute the sentences.

Large numbers of police were on duty in San Sebastian today where the funeral takes place this evening of a young man shot dead by plainclothes police on Sunday against the imposition of the death penalty on the two Basques, both of whom were stated to be members of the separatist organisation, ETA.

Following the seizure last week of five magazines in Madrid, Barcelona and Zaragoza it was also revealed today that a form of censorship is being reimposed on radio programmes. All radio stations have received a note from the Information Ministry stating that the tapes of programmes have to be submitted for prior approval in case they

violate the anti-terrorist law. Programme directors have been hastily reshuffling schedules in order to comply with the new ruling.

Journalists employed by Spain's international news agency EFE have also been angered by a circular issued to all correspondents demanding that they give absolute priority to news of terrorist acts in other countries. "An intensive two-week campaign" was called for by the director during which full details of any acts of terrorism should be transmitted directly to him. This was of vital interest and after a fortnight the response of the journalists would be carefully studied.

In a letter to Madrid's Press Association a group of journalists demand "an end to these threats" and urge their colleagues to ignore the directive which ran contrary to their professional role.

Corsican militants continued their campaign yesterday with four bomb attacks on the island. Robert Mauthner reports from Paris

The heritage of Bonaparte

THE THREE French riot policemen killed in clashes with Corsican nationalists over the past two weeks were the first fatal police casualties in political demonstrations in France since the Algerian war. Even the violent street battles between the unruly CRS riot troops and students in May 1968 did not lead to the loss of any lives, and it is therefore hardly surprising that the latest events in Corsica have caused alarm and despondency in Paris.

"Will Corsica become France's Ireland?" is the fashionable question on everybody's lips.

It could have been asked centuries ago. For long before Corsica was "temporarily" ceded to France by Genoa in 1768 for the bargain basement price of £2m—to be paid in 10 annual instalments—and repurchased by the Genoese ever wanted to reassert their sovereignty—the latter had found the local population to be very "Irish" in its attitudes. The autonomist slogan worn today by Corsican girls on their tea-shirts—"o galera o colesca" (the slave-ship or the coach)—says much not only about the particularly repressive and cruel rule of the Genoese but also about the innate pride and thirst for independence of the Corsicans.

To achieve their aims, the Corsicans—inventors of the vendetta—have never been frightened of using violence, and the longer their problems and aspirations are neglected, the more likely will violent political action become the rule rather than the exception on the island.

The grievances of the Corsicans, in particular, the Action for the Rebirth of Corsica (ARC) whose members were involved in the fatal wine depot battle with police at Aleria on August 22—are both economic and political, with the former being more acute. Corsica has been neglected in recent years, but that it has taken place without any con-

sideration for the identity and interests of the indigenous population. For Corsicans, traditionally the backbone of the French civil and diplomatic services, no longer want to be forced to spend all their lives serving abroad. Many of the younger generation now want to live and work in their homeland.

They have been frustrated by the fact that there are not enough jobs for them in Corsica, in spite of its rapid economic development, which has seen agricultural revenue in the eastern plain increase tenfold and tourism expand at a rate of 10 per cent annually during the last decade. Much of this development, however, has been to the benefit of non-Corsicans, such as former French settlers in Algeria, Italians and Moroccans who now number about 87,000 out of a total population of some 240,000.

The fault is partly that of the Corsicans themselves who have not always seized the opportunities offered to them. While it is true that French "pieds noirs" farmers, repatriated from Algeria when that country became independent, were offered special low-interest loans to buy and develop farmland, mostly vineyards, in the eastern part of Corsica, it is equally clear that Corsican peasants, traditionally stockbreeders, showed little initial interest in this type of farming.

By the time they realised what the eastern plain's potentialities were, there was hardly any more land available, and even those Corsicans who tried their hand at wine-growing often found their finances were not up to this kind of farming.

The success and wealth of the "pieds noirs" and their alleged involvement in wine frauds and financial scandals—one of the ostensible reasons for the occupation of the wine depot owned by a former French settler in Algeria by members of ARC—was calculated to cause jealousy among the local population. The domination of the tourist industry by Frenchmen from the

mainland is another thorn in the Corsicans' flesh. To-day Corsicans resent not only this form of "economic colonialism" but fear that, if it is allowed to continue unchecked, they will soon be in a minority on their own island.

Already more than half the jobs in the island are filled by non-Corsicans and two-thirds of the managing directors of limited

'The Corsicans are in the process of being progressively replaced and of disappearing like the buffaloes and eagles in the United States.'

The Hudson Institute.

companies are Frenchmen from the mainland. The Hudson Institute, in one of its unpublished reports for the French administration, is quoted as having described the situation as follows: "The Corsicans are in the process of being progressively replaced and of disappearing like the buffaloes and eagles in the United States."

The extent of the discontent was already evident in March last year when the visit of the then Prime Minister, M. Pisani, was punctuated by bomb explosions. Since then, a genuine effort has been made by the present Government to deal

with some of the Corsicans' grievances, mainly in the economic field.

A special inter-ministerial mission was despatched at the beginning of this year to the troubled Ile de Beauté, led by M. Libert Bou, whose reputation in France rests mainly on being the man who moved the famous Hautes-Corse market to the city's suburbs. A curious choice at first sight, but one which turned out to be largely justified.

M. Bou, although of pied noir origin himself, succeeded in winning the Corsicans' confidence and his charter for the development of the island was approved unanimously by the Regional Council, apparently an almost unprecedented event.

Adopted in turn by the French Government only a few days later, the measures included a plan to prevent the depopulation of the centre of Corsica through the promotion of stock-breeding and the modernisation of small holdings, the development of "quality" rather than mass tourism, new industrial zones in backward areas, the creation of a university at Corte by 1977 coupled with a guarantee to safeguard the Corsican language and culture and the division of Corsica into two administrative departments. Altogether, the French Government undertook to spend Frs.250m. (about £25m.) on the island over a period of five years, of which Frs.30m. would be in 1976.

In the context of traditional French thinking about the need for a highly centralised administration, it was a brave attempt, but it came too late and was not imaginative enough. All the Corsican nationalist movements were already asking for local autonomy in varying degrees. It is one of the great ironies of history that it was Corsica's most famous son, Napoleon Bonaparte, who was the architect of the centralised system and who has thus been the main obstacle to his own island's regional aspirations.

No doubt, the lid could have

been kept on the pot for a longer if it had not been for the handling of the wine de affair by the authorities. A particularly crass example of a localisation itself, since all operations on the ground appear to have been directed by phone from Paris by the Interior Minister, M. Michel Poniatow himself. In the longer run, however, the result would still have been the same. Even if one of the main leaders of ARC, Edmond Simeoni, had not been arrested and had not been charged with crimes for which the maximum penalty is the death sentence, the result would undoubtedly have been the same.

As it is, ARC itself is still a demanding home rule, that is, a regional assembly elected by universal suffrage responsible for all domestic Corsican police leaving foreign affairs, diplomacy and defence to the French Government. M. Simeoni, the Secretary-General and spokesman of ARC and the imprisoned man's brother, has given an undertaking that movement was prepared to renounce the famous Bastia oath of 11 pledging those who took it to live and die as Frenchmen.

There are other more extreme movements such as the FP (Peasant Front for the Liberation of Corsica) and Ghjuv. Paolina, however, which eventually push ARC into taking a more radical stand in order to retain its following in the island. The Government will therefore have to move fast if it wants to prevent the whole Corsican movement from blowing up in its face with it, no doubt, other regional problems such as those in Brittany and the Basque country.

For the moment, all the indications are that the majority Corsicans do not want to be in with a straight choice between France and Corsica. They want Corsican nation and French citizenship, as commentator neatly put it, if thwarted too long, it is which direction they would be

Boussac
to sack
1,000 workers

By Robert Mauthner

PARIS, Sept. 2. THE AILING Boussac textile group is planning to dismiss nearly 1,000 workers from its factories in Normandy and to lay off some 8,000 workers for a period up to four weeks in the Vosges region, according to a communique published by the company.

The measures, which have already provoked strong protests from the unions, have been made necessary because of low cost competition from developing countries, in the case of the Normandy factories, and in order to run down accumulated stocks, in the case of the Vosges mills, the company claimed. There can be no doubt, however, that the company's financial difficulties—lost £11m. last year—coupled with the depressed state of the textile industry are more than partly responsible for the decision.

M. Jean-Claude Boussac is reported to be preparing a sweeping reorganisation and rationalisation plan since then, but nothing has been announced so far.

EEC countries may now
have joint trade surplus

BY ROBIN REEVES

BRUSSELS, Sept. 2.

EEC MEMBER countries may have jointly chalked up a trade surplus for the first time for three years, according to the Brussels Commission's latest monthly report released here today.

The report attributes the improved trade balance to the "persistent weakness" of imports, it notes that France, which is now running a surplus, and, to a lesser extent, Ireland, have continued to improve their external positions, while Denmark's trade deficit was noticeably reduced in June.

In contrast, it says the recovery seems to have been interrupted in the U.K. and Italy, "probably due to temporary factors," while in the Netherlands, a weakness in exports and a marked expansion in private consumers' expenditure have accounted for a continuing deterioration in that country's trade balance.

West Germany's trade surplus which had, until May, continued to narrow slightly as a result of the appreciable decline in sales abroad, mounted again in June

when exports staged a modest improvement.

For the Community as a whole, the report emphasises that exports to non-member countries have dropped as a result of the recession gripping the world economy. Exports have also declined in value, but will have fallen much more sharply in volume, it points out.

GREEK TORTURE
TRIAL CHARGES

ATHENS, Sept. 2.

A FORMER military policeman told a court here today about torture methods used against political prisoners under Greece's fallen military regime, and he asked the forgiveness of prisoners he had beaten.

Dimitrios Litsas, one of 31 former members of the special investigation branch of the military police now on trial, said his training had turned him into "an obedient and helpless instrument" executing orders by his superiors.

Human rights
commission
in Cyprus rowBy Our Own Correspondent
NICOSIA, Sept. 2.

THE European Commission of Human Rights today began investigating charges brought by the Cyprus Government against Turkey claiming violations of human rights during and after the Turkish invasion of the island last year.

The charges cite murders in cold blood of Greek Cypriot men, women and children, ill-treatment of prisoners, forced labour, separation of families and seizure and destruction of property.

The five-member team of the European Human Rights Commission headed by British jurist Mr. James Fawcett, and the hearing of witnesses, being held in camera at the Cyprus Hilton Hotel in Nicosia, will continue until September 8.

The Turkish side is boycotting the proceedings and has made it clear it will not allow the members of the human rights team to enter into the Turkish-held parts of the island. Turkish Cypriot leader Mr. Rauf Denktaş even threatened in the past that if the commission were to come to Cyprus, he would boycott the new round of inter-communal talks scheduled to open in New York on September 8.

Bonn worried over the effect
of means test on unemployed

BY NICHOLAS COLCHESTER

BONN, Sept. 2.

A STEADILY increasing proportion of West Germany's unemployed are finding themselves in the "one year plus" category where their benefits are reduced and a mild form of means test applied. The Government's latest figures show that 15.4 per cent of those receiving unemployment benefits are now in this less favoured category compared with 8.7 per cent in January.

This continuing development is regarded as one threat to the remarkable equality with which the German public has borne the deterioration of the labour market to a state that would have been regarded as intolerable five years ago. In the initial phase of unemployment, lasting up to 312 working days, a West German worker gets 68 per cent of his take-home pay. Once the second phase begins he finds himself with 58 per cent, and faces questions that probe not only his own financial situa-

tion but sometimes that of his parents and his children as well. Inevitably the rising proportion of long-term unemployed is seen not only as a sign of mounting distress but also as evidence of growing misuse of West Germany's highly developed system of social security. There have been a number of legal proceedings involving West Germans who have returned with enviable tales from their holiday resorts to find chilly letters telling them that their unemployment money has been cut off.

The authorities also speak of housewives who once worked an eight-hour day with housework waiting for them when they got home and are now in the position of working at home during the day and drawing unemployment money at the same time. Another problem is that workers who did a lot of overtime before they were laid off find that they can earn more through the labour office than from the basic pay of alternative

employment.

Such inconsistencies are inherent in any system of social security. But they are attracting attention in West Germany at the moment. Unemployment contributions have been raised from 2 per cent of pay to 3 per cent from the beginning of next year. The Government's financial problems are increased by the DMS law, of which it is being forced to give to the labour offices this year. These problems have just forced the Government to raise taxes.

The increasing pressure on the Government to be tight-fisted and the growing proportion of unemployed in the less favoured "long-term" category suggest a tougher atmosphere in the labour offices in the months ahead. Unfortunately, West Germany is now moving into that part of the year when the number of unemployed rises through seasonal effects. The need for the long-awaited upswing thus becomes ever more pressing.

Swiss,
E. German
deal snag

By John Wicks

ZURICH, Sept. 2.

THE Foreign Trade Commission of the Swiss States Council "emphatically urged" that decision be taken on the ratification of the new Swiss-E-German agreement on trade in commerce until the results of further discussions known as German compensation payments to Swiss citizens, a demand, which follows a small call on the part of the National Council's Foreign Trade Commission, also states that the national problems such as migration and marriage questions should be solved "in a humanitarian spirit."

The fact that both houses of parliament are certain to see large majorities in favour of their Foreign Trade Commission's recommendations will be without its influence on a third round of Swiss-E-German negotiations due to be held next month. These discussions began in November, 1974 in the same year as the E-German embassy opened in Bern. The second round held a year later. Government circles had made it known before the first round of discussions that the question of compensation would be brought up. Since there had been widespread criticism of both the accreditation of an ambassador and the negotiation of a trade agreement before the matter was settled.

It seems unlikely that ratification of the agreement will be possible before the summer, 1976 session of parliament.

FT CONFERENCE ON THE NORTH SEA

'A European energy policy is
the best solution to oil problem'

BY WILLIAM DUFFLORCE

OSLO, Sept. 2.

NORTH SEA oil and gas should be "de-mythified" and traded as a commodity like any other, Mr. Michel Vanden Abele, chief of cabinet to Mr. Henri Simonet, vice-president of the European Commission, told the Scandinavian and North Sea conference today.

At the same time, he repeated assurances against a Community "take-over" of British North Sea resources. There would be no quibbles over ownership and no unnecessary problems over nationalisation or fiscal systems.

The Commission envisages a four to five-fold increase in the overall level of its energy financing, currently running at about \$800m. a year or 5 to 6 per cent of Community energy investment. The aim is to develop alternative energy sources, mainly through an ambitious nuclear power programme and the maintenance of coal production, and to upgrade oil and gas for uses where alternative sources are less easily obtained.

The EEC energy programme, which would involve overall expenditure of up to \$200bn. over the next 10 years, offered producers the best guarantee for developing North Sea oil and gas resources to the limit of what was politically possible, Mr. Abele said. EEC countries would be able to guarantee markets following the upgrading of oil and gas.

The Commission was also seeking to raise its budget for support of energy projects advancing oil and gas technology from \$28m. to \$55m. a year. Mr. S. G. Pearson of Gulf Oil Canada, estimated that an investment of \$750m. at 1975 prices would be needed to drill exploratory and development wells off

West Greenland, build a production platform and lay a pipeline to the shore. To get a 20 per cent, discounted cash flow rate after tax, the field would have to contain 400m. barrels with production averaging 84,000 barrels a day.

Despite an estimated development cost of \$9,000 per daily barrel, compared with \$7,500 in the northern North Sea, the geological and technological problems were available, and Gulf Canada was optimistic about prospects for West Greenland, where first concessions were made by the Danish Government in April.

Mr. Erik Hesselbjerg, permanent under-secretary in the Danish Ministry, said no new concessions could be expected in the near future.

Prof. Peter O'Dell, of Erasmus University, Rotterdam, argued against proposals for "very expensive and possibly dangerous" gas nuclear programmes in Europe. His computerised projections indicated that for 14 years from 1982, the North Sea could produce oil and gas in excess of expected West European demand, and that self-sufficiency based on North Sea reserves could extend well into the next century.

Prof. Arthur Whitman, of Aberdeen University, believed Prof. O'Dell's probability methods could not provide realistic estimates of reserves. After a wide-ranging survey of the geological, economic and risk factors involved, in developing the petroleum potential of new areas in the Norwegian, British, Irish and French offshore, he concluded that the northern North Sea troughs were less favourable than the North Sea basin, and that the West British and Irish troughs,

though potential petroleum provinces, were only likely to be investigated if higher prices per barrel were attained and if licensing terms allowed for greater development expenditure.

There was considerable potential off West Norway, north of the 62nd parallel, but in Prof. Whitman's view the Barots Sea area would remain undeveloped for many years because of cost inflation, sovereignty disputes and government policies which were adverse to free enterprise exploration.

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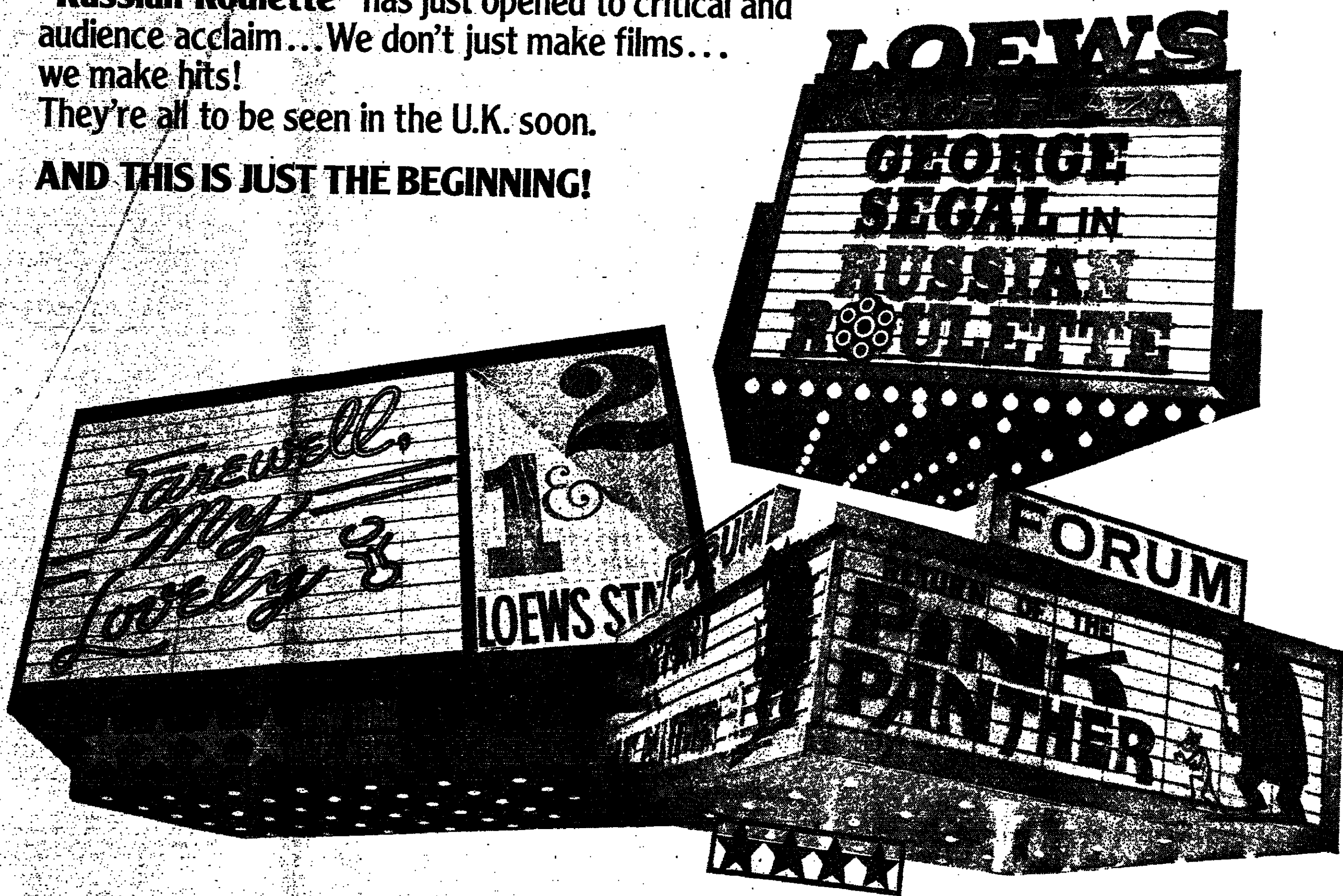
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HOME NEWS

Builders more confident as house stocks decline

BY MICHAEL CASSELL

A BIG reduction in the number of private homes for sale and rising confidence among house builders are disclosed in a Government inquiry published today.

According to the Department of the Environment, the high stock of unsold homes in the hands of builders and property developers has been dropping continuously throughout the year. The Department's inquiries show that, by the end of June, 1975, the total number of homes on the market had fallen to 28,000 compared with 37,000 four months before. The latest figure represents exactly half the total of unsold homes available at the end of October 1974.

The large stock of unsold homes instrumental in preventing any major upturn in new housing activity is fast disappearing, but there is still ample room for a further reduction in numbers. At the time of the last boom in 1972 there were, at one stage, only 7,000 homes unsold and still owned by builders and developers.

The substantial cut in the unsold stock to a large extent reflects the record levels of lending which societies have been achieving for most of this year.

There is a widespread belief that, once the surplus of homes has been taken up—something which should not take too long at the present rate—prices can be expected to rise more quickly than of late. The Government and the societies are agreed, however, that if necessary, lending will be limited to help avoid another price explosion.

The more encouraging outlook for sales has already had some effect on builders' confidence. At the time of the last Department survey in March, the private housing sector said it expected to start work on 135,000 new homes this year. But by June this figure had been revised to 145,000.

Lending
Such a total would represent an improvement of around 45,000 over last year, but as this was among the worst periods for house building recorded since the last war, this year's likely programme still leaves a great deal of room for improvement. In 1972, starts were made on 227,000 private homes.

Although there has been some improvement in builders' confidence, they are clearly far from happy about the future. The inquiry shows that they do

not expect to start any more houses in 1976 than during the current 12 months, although this figure could well increase later.

Unconvinced

Builders still remain unconvinced that building society finance, although available now, will be easily obtainable when the houses they might now be encouraged to start are actually ready for sale. People's ability to buy—bearing in mind the period of incomes restraint now under way—is also open to question.

Prices and finance apart, however, the industry is seriously worried about the Government's proposals for public ownership of land, which they claim will make profitable house building almost impossible and restrict housing choice.

According to the Department's report, builders owned land worth £2,000m at the end of June. This is not significantly different from the estimated stock four months earlier and is a little over three times the number of homes the builders themselves expect to start during 1976 for speculative sale on their own account.

City earns record £905m. overseas

By Our Economics Staff

THE CITY OF London's net overseas earnings rose 24 per cent to a record £905m. between 1973 and 1974, according to Government estimates published this morning.

The U.K.'s travel account moved at the same time from a small deficit of £1m. in 1973 to a net surplus of £151m. The Central Statistical Office says. The figures are contained in the detailed analysis of U.K. Balance of Payments, 1964-74, which appears in the annual "Pink Book."

They show that the U.K.'s net earnings from so-called "invisible" transactions (banking, shipping, insurance, travel, profits on overseas investment, and so on) increased less dramatically last year than in the previous 12 months.

With credits totalling £976m. and debits £825m. (against £833m. and £682m. respectively in 1973), the net surplus on invisibles was £1,511m., compared to £1,400m. in 1973 and £0.8m. in 1972.

Interest

An important factor behind the sharp rise in debits on the invisible account was the heavier burden of interest payments on U.K. public sector borrowing from overseas. This totalled £606m. last year, more than 50 per cent higher than in 1973.

There were two principal areas where the City's earnings rose last year. Banking up £422m. to £598m. and the Baltic Exchange's earnings from chartering and buying and selling ships and aircraft—nearly double at £103m.

The Central Statistical Office also publishes for the first time a full analysis of the U.K. balance-of-payments position vis-à-vis the rest of the EEC.

It shows that although there was a net deficit on visible trade of £20m. with the rest of the EEC last year (against £1,100m. in 1973), there was a surplus on invisibles of £603m. (£577m.) making an estimated deficit on all current account transactions of £1,400m. (£0,800m.).

Government statisticians emphasise that the compilation of area balance-of-payments statistics is fraught with difficulties and that in many cases they are dealing with very rough estimates.

* United Kingdom Balance of Payments 1964-74. SO. 22.

'Buy British' demo

A GROUP of 260 demonstrators urged Marks and Spencer yesterday to "buy British."

Among them were workers from Bridgend and Glyncorrwg, West Glamorgan, where Fiona Footwear has declared 80 per cent of its labour force redundant. The downturn in trade followed a decision by Marks and Spencer to switch much of its shoe-purchasing operation to France, the demonstrators claimed.

Marks and Spencer said, after executives met a deputation, "There is no question of not buying British. About 95 per cent of our goods and 90 per cent of our shoes are British made."

Europe lorry rules deferment sought

DR. JOHN GILBERT, Minister of Transport, yesterday wrote to the EEC Commission in Brussels seeking a two-year deferment in the U.K. on EEC drivers' working hours regulations.

He also outlined the difficulties that would be presented by the EEC requirement that tachographs should be fitted in lorries.

His representations came after a statement by the Minister in the Commons at the end of last month that the views of both sides of the road on lorry and passenger transport industries.

The Freight Transport Association has said that the regulations—which would reduce the driving day for lorries from 10 to 8 hours and limit the distance that drivers of the heaviest vehicles could travel to 280 miles a day—could cost British industry up to £200m. a year.

It estimates that tachographs would cost a further £350m.

The Transport and General Workers' Union has said that it would be prepared to break the law and instruct its members not to put the tachographs in operation.

The regulations have caused protests in other European countries and modification by the Commission is considered likely.

Arab maritime interests growing fast

By Our Own Correspondent

CASABLANCA, Sept. 2. THE GROWING importance of Arab flag maritime interests was pointed out at today's session of the Insurance Conference arranged by the General Arab Insurance Federation.

Mr. Michael Summerskill, of the R. M. I. and the Sun. London, said that with recent massive developments, both in actual tonnage and in projected tonnage, it was possible to talk of a tonnage of several million in the near future.

By 1980, according to Arab delegates attending the conference, their tanker fleet alone would be about 70 ships, totaling more than 10m. tonnes carrying capacity.

These developments are reflected in Arab aims to take a bigger slice of the insurance business generated by their shipping activities. The Arabs are considering the possibility of establishing marine hulls and re-insurance pools as well as their own protection and indemnity club or association.

A warning that the insurance markets could face a serious shortage of capacity came from an American insurance broker, Mr. George Handley, of New York.

NEWS ANALYSIS — RESTAURANTS

Slowdown in 'fast food'

BY ARTHUR SANDLES



Mr. Ali Salih: A one-time egg fryer.

A COUPLE of weeks ago a group of restaurateurs was sitting around licking corporate wounds and taking light-hearted bets over which of them would be the first to be beaten by the economics of the catering game. "There was a time when I thought a piece of steak would sink me," said one of them. "I never thought it would be the potato."

In the month earlier he had tried to remove chips from the table d'hôte menu and received such an angered response from his customers that he had submitted and continued to offer potatoes—at a loss.

Demise

The demise of London Eating Houses may be symptomatic of some very nasty things to come, as no London mid-market catering chain should run into trouble in early September. In theory this is the fattest month of the year: school holidays are not yet over; foreign tourists are still filling our pavements and—potatoes apart—there are ample supplies of vegetables about.

Problems, though, have been brewing for months and for many companies are likely to come to the boil this winter. "There must be rationalisation in this business," says Mr. John Bosman, creator of the Golden Egg chain which is now part of EMI.

Mr. Ali Salih, who ran the London Eating Houses chain, is a one-time egg-fryer for Bosman and popular in the industry. He would appear to have run into

the problems of a mis-timed expansion. Over the past two years the restaurant side of the catering business has seen its market

share diminish while the public have turned to pubs and works canteens. "Fast food"—hamburgers and the like—were the answer to the fish-and-chip shops and Mr. Salih, along with others like him, was quick to see they could be the passport to a fortune.

Fast food operations have many advantages. The cooking is relatively simple and quickly taught, even to people who do not speak the language (Mr. Salih employed several hundred Turks); administration is potentially under tight control; and labour is cheap.

London Eating Houses made a considerable success of the bottom-end of the market with some 27 Wimpy bars operating under a franchise from J. Lyons. Having seen these produce substantial profits the company then moved up market to steak houses and sideways into pancake operations and the fashionable business of American-style hamburgers.

The problems of this type of expansion are the usual ones—management is stretched, rent becomes an important item, and you run the risk of a confrontation with the unions. London Eating Houses has a reputation for paying some of the highest rents in London and for those rents in the capital, its workforce of nearly 800 people is highly unionised, the vast majority being card-holding members of the Transport and General Workers' Union. Time will doubtless tell whether or not management was

stretched, but earlier this year the Office of Fair Trading, a remarkable pronouncement, rapped the chain's knuckles for a lack of hygiene control.

At the moment it seems that British "eating out" occasions are down by about 20 per cent on average in the £150 to £250 head establishment. Customers are trading down rapidly. Steaks and steak and chips, which are the staple of many of a restaurant chains, which developed in the sixties, are expensive and, perhaps more importantly, their price fluctuates considerably from week to week. Severely of the larger groups, experimenting with alternatives to the steak as a basic menu item, minced meat preparations (notably the hamburger) are the favourite alternative. Almost certainly the next few months will see some "steak house" change their names to menu-committing titles.

Exposed

However, change of name not the whole restaurant business could have a long cold winter. Those which have not, on a little fat in the summer months may find themselves mortally exposed. Says John Bosman: "We can see a situation where the cat return to the back streets if whence they came, to be run families."

Voluntary price regulation for medicines challenged

BY DAVID FISLOCK, SCIENCE EDITOR

THE GOVERNMENT'S voluntary price regulation scheme for prescription medicines is challenged in a report published yesterday by the Office of Health Economics.

The report offers evidence that the price of a medicine, far from being a matter of indifference to the prescriber—the basic assumption behind the voluntary price regulation scheme introduced by the National Health Service in 1957—does have an important influence on the prescriber's choice.

The OHE's argument that price competition alone would control drug company profits effectively is offered up by the thesis—called the "Cannberra hypothesis"—because of its origins in a paper delivered by Mr. George Teeling-Smith, the OHE's director, in Cannberra earlier this year.

The OHE admits that the evidence on which it is based is still fragmentary and falls short of being a strict theoretical proof that price competition exists for prescription medicines.

Nevertheless, it calls into question, the OHE claims, the underlying factor—namely the absence or weakness of price competition for pharmaceuticals—on which price controls such as the U.K.'s scheme are predicated.

Under the scheme, prices charged to the NHS were to be no higher than prices paid in export markets where the patient was paying for his own medicine. But the report alleges that its introduction produced no dramatic savings and "practically no" price reductions.

It also questions the relevance of the Government's rejection of the Banks Committee's recommendation that it should repeal Section 41 of the Patents Act, 1949, which was justified on the

grounds that "competition in the industry is largely based on products and not prices."

Price competition, it contends, is just as vigorous and effective in the pharmaceutical market as in any other market for innovative products. Such markets operate under the rules of "price and performance."

The OHE is proposing to have its hypothesis tested independently at the University of Edinburgh.

The *Cannberra Hypothesis*, published by OHE, 162 Regent Street, London, W.1, price £1.50.

THE NEWHILL seam at Houghton Main mine was virtually unventilated on the day of its explosion, Mr. Arthur Scargill, Yorkshire miners' president, said yesterday on the seventh day of the inquiry at Barnsley.

Mr. Scargill had been questioning Mr. Ronald Briggs, a shift charge engineer, who admitted that he had closed a ventilation door without instruction when he went to inspect a compressor on a new coal face.

The explosion, in which five men died, occurred on June 12.

Mr. Leonard Fox, the pit's deputy manager, said that the ventilation system outlined on plans drawn up by the surveyor's department in March this year was not the system in force at the time of the explosion.

He said that ventilation was insufficient when the auxiliary fan was not in use at week-ends, but he denied that the fan had been switched off to save on labour costs.

As a deterrent, surveyors displayed excellent powers of dispersal for lime soap and superior soil redeposition properties, particularly at the lower concentrations, along with the lower foaming propensities compatible with automatic laundering machines.

Probably the most important development in the utilisation of starch—the main source of which were maize, wheat, rice, barley, sago, tapioca and potatoes—was its rapid conversion into glucose by means of enzymes, said Professor M. Stacey, senior research fellow in the department of chemistry at Birmingham University. The enzymes could now be made on a very large scale from moulds and bacteria, and gave very high yields of relatively cheap, crystalline glucose.

But an even more important development, said Prof. Stacey, had been the conversion of

glucose to fruit sugar (fructose), a much sweeter sugar, using another microbial enzyme, isomerase. The cost of this "semi-synthetic" sugar was already less than that of cane sugar. Its commercial development on a large scale "is going to have an enormous impact on both the cane and beet sugar industries."

This fact, together with future developments of new sweetening agents, "hundreds of times sweeter than sugar," would cause sugar growers to look for new markets, and chemical developments must have high priority.

The committee that examines the safety of new drugs is under pressure to clear some toxic drugs, its chairman, Professor Sir Ivor Scowen, alleged, in a session on the use and abuse of therapeutic drugs. "Not at all infrequently there is pressure from the Press, media and politicians," he said. "But it is when drugs are cleared in a hurry that mistakes are made."

At present the reputation of his committee was such that not even politicians dared actually interfere. "At the moment we are safe, but I wouldn't like to say how long."

Councils told to choose projects for EEC aid

BY HAROLD BOLTER, INDUSTRIAL EDITOR

REGIONAL AUTHORITIES are being asked by the Government to speed up their selection of projects likely to qualify for assistance from the European regional development fund, from which the U.K. is entitled to receive about £150m. over the next two years.

The fund is intended to aid industrial and infrastructure projects in the regions which are already being assisted or financed from public funds.

Local authorities have been told that the Government will have to make a final choice of suitable projects in the next few weeks, in order to qualify for regional development fund, from which the U.K. is entitled to just under 28 per cent of the fund for the years 1975-77—about £150m. This compares with £80m. in that period of 1970-72.

For 1975 the U.K.'s receipts from the fund are expected to be about £35m., of which the

Scottish share will be about £5m.

Receipts from the fund go to the Government, rather than to the promoters of individual projects. But they will enable the Government to go ahead with a greater total of regional investment than could have been afforded otherwise.

How much greater will be settled year by year in future, when the Government has a clearer idea of the amount likely to be received from the fund in the year in question.

Officials of the Department of Industry are contacting the promoters of suitable industrial projects to seek their co-operation in submitting applications to the fund.

It is intended that local authorities and other bodies undertaking infrastructure projects for which assistance from the fund is granted should benefit directly.

Textile request opposed

By Our Labour Staff

A REQUEST by the Hong Kong Government for a 50 per cent increase in its U.K. quota for exports of knitwear would, if granted, cause the loss of 7,000 jobs, according to the National Union of Hosiery and Knitwear Workers.

The union yesterday published letters of protest to the Prime Minister, Mr. Eric Varley, Industry Secretary, and Mr. Harold Lever, Chancellor of the Duchy of Lancaster.

It says the Government must not contemplate any change in the recent "multi-fibre agreement" with Hong Kong. "It seems appalling to us that no sooner has the ink dried on the agreement with Hong Kong than the Government is apparently discussing a change in this agreement."

BRITISH ASSOCIATION

Agriculture as source of chemicals

BY DAVID FISLOCK, SCIENCE EDITOR

A bright future for a revival of industrial fermentation processes for the production of chemicals from agricultural products—many of which had been shown to work but had been superseded by synthetic routes starting with oil or natural gas—was forecast yesterday by Mr. F. K. E. Turrie, manager of group development for Tate and Lyle.

Synthetic processes were more economic but more wasteful of energy. Mr. Turrie told a British Association meeting at Guildford. Green plants could capture solar energy and convert it to chemical energy in the form of carbohydrates, lipids, proteins and other compounds. Mr. Turrie told a meeting on the industrial exploration of plant energy sources. The efficiency, as a percentage of the incident solar energy stored as chemical energy, was very low—usually less than one per cent, in temperate climates, although it could be as high as 7 per cent in tropical environments.

Fossil fuel

But despite such poor conversion efficiencies, crop production gave a positive energy return because photo-synthesis was a

highly endothermic or energy-absorbing process. It was estimated that in Britain for every unit of energy consumed in farming, 3.2 units were produced as primary plant material. The corresponding figure for the U.S. lay between 3 and 5 units.

But from this standpoint the agricultural systems of developing countries were far in advance of our own, because their fossil fuel input was so small.

The possibility of finding new markets for sucrose as a feedstock for the chemical industries was examined by Professor A. J. Viltos, chief executive of group research and development for Tate and Lyle. He described sucrose as a renewable raw material "having the advantage of low cost and an established market, far larger than any other single organic chemical."

But less than 1 per cent of world sugar production was used today as an industrial feedstock. This, he believed, probably reflected in part the extreme fluctuations in price, where the 10 per cent that was not either consumed in the country of origin or subject to negotiated contract prices was very susceptible to over-production or shortfalls.

Among the "micro-chemicals" already on the market, said Prof. Viltos, were sucroglycerides, used in baking, which gave "improved bread volume, finer crumb texture, better humectancy and more rapid dispersion of fat in confectionery doughs."

As a detergent, sucroglycerides displayed excellent powers of dispersal for lime soap and superior soil redeposition properties, particularly at the lower concentrations, along with the lower foaming propensities compatible with automatic laundering machines.

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Rank Xerox diversifies in duplicating system market

BY ROY LEVINE

RANK XEROX has entered the important but fragmented multi-million pound duplicating system market with the formal launch in London yesterday of the Xerox 9200.

The move comes at a time when the group is facing increased competition in its traditional plain copier market.

It represents a major diversification for Rank Xerox, which has dominated the copier market for more than two decades. Yesterday's formal launch of the Xerox 9200 introduces it to Europe, although the system was exhibited at the Hanover Fair in April.

The system, produced at the Mitcheldean, Glos. factory, will be marketed world-wide (except for the Americas and Japan) and could bring in as much revenue as its copiers within five years, according to the company.

With the launch of its Xerox 800—an advanced editing typewriting system—later this

month, the company will have two products that could change its sales profile and have a major impact on the £1bn. office equipment market.

The Xerox 9200 is a major advance on existing duplicating equipment. Rank Xerox claims. A complete duplicating system in one machine, it works direct from the original document without the need for plates or intermediates and duplicating on to cut sheet plain paper. It automatically feeds the originals, then duplicates at the rate of 2,300 copies an hour, and sorts the output into sets or stacks.

Rental plans

There are two rental plans with minimum print charges of £540 or £700 a month, but the cost will depend on the volume used.

The company is training a team of about 100 to complement the national direct sales

team. According to Mr. Hamir Ore-Ewing, the managing director of Rank Xerox, the target market is the 10,000 odd in-plan print rooms requiring more than 50,000 prints a month. Although marketing will start immediately, deliveries will take place from the end of the year, he added.

According to Mr. Peter Crawford-Taylor, the marketing manager, the company's share of the duplicating market was about 10 per cent in volume terms. On the same basis, the size of the market was more than four times greater than the copier market. Some of the parts are being imported from the U.S., but full production in the U.K. will start by the end of 1976.

The major competition for the Xerox 9200 system will be the offset duplicating system. The biggest suppliers of this market are Gestetner and Addressograph-Multigraph. Further details, Page 10

STOCK EXCHANGE BUSINESS IN AUGUST Turnover at year's low

BY GEOFFREY FOSTER

TOTAL Stock Exchange turnover fell dramatically in the traditionally quiet holiday month of August. The month had three fewer business days than July, but business in All Securities dropped £4.2bn., nearly 45 per cent, to £5.2bn. This was the lowest total since December, 1974, when it was £5.6bn.

The Financial Times Stock Exchange turnover index for All Securities fell from 287.2 in July to 158.7 in August. The 1974 average was 144.9. The 265,271 bargains transacted were 85,568 lower than the previous month, and was the smallest since the 285,351 of December, 1974.

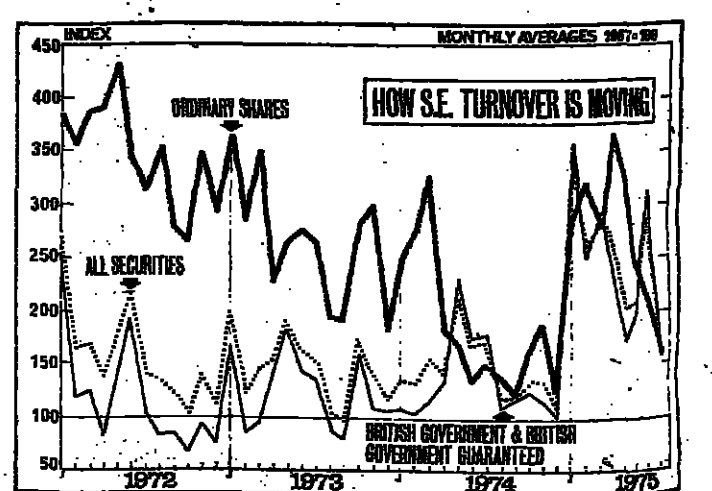
All sectors were affected by the fall in turnover. After July's upsurge, business in British Government Securities fell nearly 50 per cent of the month's securities to £3.7bn. The downturn here compared a £1.4bn. drop to £2.4bn. in trade in short-dated stocks and a £2.3bn. fall to £1.3bn. in other fixed-interest securities.

In short-dated stocks, the number of bargains declined 8,743 to 25,655 in August, for an average value per bargain about £15,533 lower at £95,085, while deals in all British Government securities reached 18,289 to 34,342.

The Financial Times Stock Exchange turnover index for British Government securities dropped from 310.7 in July to 157.3; this compares with the 1974 average of 135.0.

Turnover in equity shares continued its rapid decline, suffering a fresh relapse in August of £0.3bn. to £0.9bn., by far the lowest level so far this year. The Financial Times Turnover index for equities retreated to 158.0 in August from 206.8 in the previous month—the 1975 peak of 365.0 was recorded in April.

The August index was also well below the 1974 average of 187.6. Total number of bargains in equities was down 63,222 in the month to 259,718 and the



average value per bargain fell 4,361, to £151 to £140.

August proved to be a good one for share price. The FTSE 100 rose steadily to end August 44.3 up at 327.6 compared with the 1975 high of 365.3 in June 5.

Gifted prices moved sharply either way against a background of uncertainty about the prospects for U.S. interest rates and money supply. Figures, however, the undertone was judged to be strong because of the recessionary forces at work in the U.K. In quiet trading conditions the Government securities index moved from 287.2 in July to 158.0 in August, a drop of 129.2 points.

On August 1, the number of deals made on the London Stock Exchange dropped to 2,300, before closing the month 1,116 higher on balance at 61,226. The 1975 high to date is 62,344 on March 20.

As in July, Gold mining shares generally drifted lower in August. Movements were often in sympathy with the performance of the investment dollar and the price of gold. From 358.3 at the end of July, the Gold Mines index fell to 342.2 on August 27, before closing the month 11.5 down at 347.0.

Category	Value of all purchases % of sales total	Number of bargains	% of total	Average value per day	Average value per bargain	Average no. of bargains per day
British Govt. and British Govt. Guaranteed:						
Short dated (having five years or less to run) ...	2,439.4	46.5	25,655	7.2	122.0	95,085
Others ...	1,277.6	24.5	28,887	8.1	63.9	44

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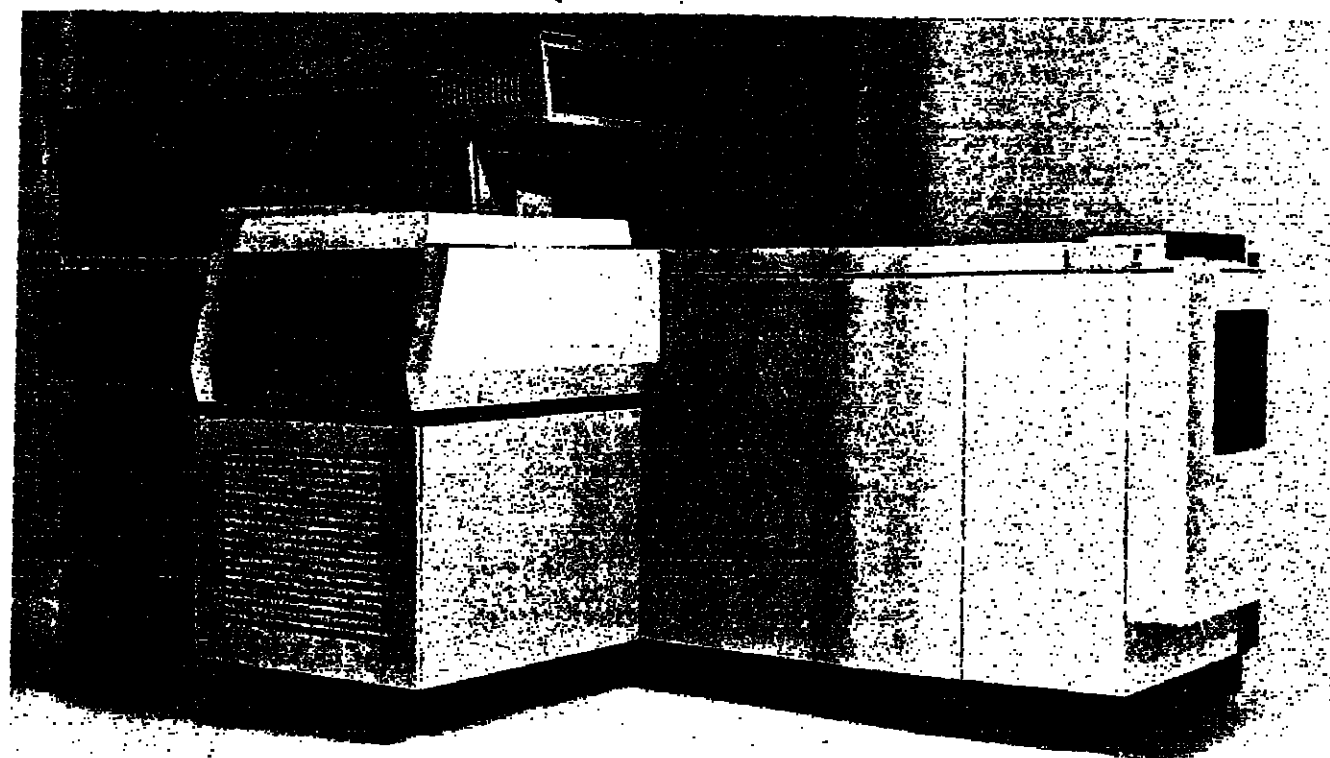
still produces very high quality prints comparable with any offset printer.

Nevertheless, it's not a system that will suit everyone. Only a company with enough of the right kind of work will want it.

But for those people it could make a big difference.

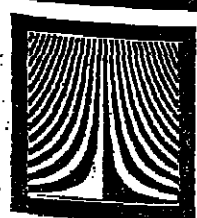
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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETTERS

DATA PROCESSING

Computer-linked crime increase

ALTHOUGH there have been so many warnings of how easy it is to use data processing systems for illegal purposes, there seems to be no abatement of the rate of computer-assisted crime.

A spokesman for the U.S. National Bureau of Standards recently told a meeting in Laconia, New Hampshire, that in 1974 there were an estimated 339 computer-related frauds involving an average loss per occurrence of \$1m.

This means that the total loss last year through embezzlement using some form of falsification of computer-held information was over \$200m. A justifiable inference so far as the U.K. is concerned is that around £2m.

was abstracted from private company and public funds in this way, pro rata and allowing for the proportionately smaller number of computers in Britain.

But all these figures are highly conjectural since it is believed that only one out of five cases is ever reported to the police, at least in the U.S. According to Dr. Ted Linden of the NBS, the potential for fraud in this way is growing.

This runs counter to the findings of a study funded by National Science Foundation and carried out by Stanford Research Institute, whose Dr. Donn B. Parker thought matters would improve as the input and output of data became more automated and capture was made closer to the source.

It seems that one of the reasons why there are very real

fears of an increase in this form of crime is the difficulty of detection, even by data processing experts. It must be remembered that all too often, a way to crack the system—and cover all trails—has been found by people just as expert.

Most known cases of computer fraud were discovered accidentally because perpetrators had not stuck to their routines and infrequently by those staff specifically entrusted with security and crime prevention.

Even when the expert auditors are brought in, it can take two years and more to untangle the web. So if the people whose meat and drink is the use of computers can be balked to this degree, how can non-numerate police hope to cope?

In Britain, National Computing Centre is the main advisory point on security of systems.

AGRICULTURE

Less work down in the forest

MANY chemicals, under a variety of brand names, are available today for the control of weeds and now two more have been put on the market by Shell Chemicals' Agricultural Division, 39-41, St. Mary's Street, Ely, Cambridgeshire. (Ely 3871.)

These latest products are forestry herbicides which, says Shell, give foresters a choice of application timing from October right through to June. The work can be spread over a longer period and there is no need for extra labour or hand weeding.

One of the new herbicides, Glaxex, has successfully just completed a series of trials in woodland in Scotland and northern England. It is a granular material containing 45 per cent propylamine, originally developed by Rohm and Haas. It is apparently most effective when applied in cold conditions—October 1 to January 31.

AUTOMATION

Dry silver reader printer

OFFERING automatic threading, multiple speed motorised drive for 16 mm. cartridges and a 14 x 18 screen which permits the user to view two 8 x 11-inch pages simultaneously, the 600 dry-silver microfilm reader-printer has been introduced by 3M United Kingdom, 3M House, Wigmore Street, London W1A 1ET (01-492 5622).

The machine will take both the 3M 'loaders'—'Easy-Load' cartridges and standard cartridges. Two paper widths are available, 84 or 11-inch, and the print length is variable from 6 to 18 inches. Dry silver prints 11 x 18 inches can be made at 10 copies/minute.

TEXTILES

High speed crimper for fine yarn

WITH THE exception of very coarse, heavy denier carpet yarns, by far the bulk of textured filament yarns produced for the textile trade are systems of false-twist at present in use are the classical ring-twisting, in which yarn is taken round a rotating pin, or friction-twisting in which the yarn is caused to rotate against a rotating high-friction surface. These processes, understandably, tend to give a product that is fairly conventional and recognisable.

Now, a new system of high speed crimping has been developed in the U.S. by Indian Head. The 'Super Speed Crimper' process operates on the recognised stuffer-box principle which has been somewhat eclipsed for the past few years, except for application to heavier yarns. With Super Speed nylon, polyester or other thermoplastic synthetic fibres may be processed at input speeds up to about 1,000 metres/minute. The interesting aspect of this development is that it is suitable for handling fine to medium denier yarns for the apparel trade.

The machines will be built in Germany by Georg Salm (British agents B.L. Engineering, 11 Edward Street, Bradford, BD4 7BH. Tel. 0274 34185) and will be shown to the trade at the ITMA exhibition in Milan next month. Salm is essentially a builder of winding machinery and the packages of yarn produced on the new Super Speed crimper will be precision-wound and ready for immediate use on knitting machines or as wett for looms. The appeal of the process is that it allows a range of bulk levels to be produced and so yarns can be tailored to specific end-use applications.

Space fabric withstands high heat

LOLA synthetic textile material, tested in space work for the first time by Soviet cosmonauts, will be used widely in the economy. The USSR Institute of Artificial Fibre reports.

LOLA was the main component of the fabric used to make the space suits for the Soyuz 19 crew, who took part in the Soyuz-Apollo mission.

The new fabric should prove useful in metallurgy, the motor industry, the textile industry and in upholstery. It has higher heat resistance than other fibres of this type and withstands temperatures of about 1,000 deg. C. It is not affected by solvents and swells only a little under the effect of sulphuric acid. In strength it is equivalent to nylon.

No further details about Lola have been released other than it looks like wool and has a pleasant handle. Novosti Press Agency, 3 Rosary Gardens, London, SW7 4NW.

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MATERIALS

Brilliant primer

SWEDISH shipbuilding yards have pioneered the use of a yellow primer coating originally developed on Tyne-side by International Marine Coatings, marine division of The International Paint Company. The latter is launching the product on a U.K. market.

This yellow primer has provided an increase in operational comfort and safety during building of ships, and is specially produced to meet the needs of Sweden's sophisticated shipbuilding techniques.

Nuplate 9556K primer has captured 95 per cent of the Swedish market in the last months and the same success is predicted for the U.K.

The yellow primer has a high reflection of about 44 per cent compared with 11 per cent of the original red primer. It has been selected for use on several large vessels with capacities to 350,000 tons dwt and will improve working conditions inside these vessels as they begin to take shape.

SHIPPING

Propulsion research

INCREASING demand for a sign stage analysis of static dynamic behaviour of main propulsion shafting systems has led Lloyd's Register to undertake research in this area. Work undertaken is comprehensive, and not limited to steam classed vessels by Lloyd's Register. Much of the work will be design consultants and overseas Governments. Several analyses have been carried out for main propulsion shafting to complete propulsion and shafting design studies. The work is in close conjunction with Lloyd's Register's Technical Investigation Section.

NOTICE OF REDEMPTION

To the Holders of

ENTE NAZIONALE IDROCARBURI

E. N. I.

(National Hydrocarbons Authority)

7% Sinking Fund Debentures due October 1, 1981

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Sinking Fund for the Debentures of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected by lot for redemption on October 1, 1975 at the principal amount thereof \$2,236,000 principal amount of said Debentures bearing the following serial numbers:

DEBENTURES OF U.S. \$1,000 EACH									
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Blackpool, September 2: Conference Report by John Wyles and Lorelies Oislager

Uproar halts pickets debate



The voice of protest. Eyes turn towards Mr. Eric Tomlinson, one of the Shrewsbury pickets, during yesterday's noisy debate.

A DEMAND for the use of "the full strength of the British trade union movement" to secure the release of the imprisoned Shrewsbury picket, Mr. Des Warren, was overwhelmingly endorsed after a rowdy and frequently interrupted debate.

Proceedings were halted for several minutes by militant protesters who had entered the visitors' gallery. Among them was Mr. Eric Tomlinson, who was imprisoned at the same time as Mr. Warren and was recently released of parole.

The uproar reached such a pitch during a speech by an Electrical and Plumbing Trades Union delegate that Mrs. Marie Patterson, the TUC chairman, threatened to call in the police to clear the gallery.

The resolution in the pickets was moved by Mr. Reg Birch, national executive member of the Amalgamated Union of Engineering Workers engineering section.

Release

It viewed "with alarm the excessive penalties imposed by the courts" for picketing offences and called on the TUC General Council to secure the removal of these sections of the 1975 Conspiracy Act "which militate against workers exercising their rights as trade unionists".

The resolution went on: "Congress further declares its opposition to the penalties imposed on the two Shrewsbury pickets and calls on the General Council to use the full strength of the British trade union movement to secure their release."

Mr. Birch said that the meaning of picketing laws at the moment appeared to be that "you can picket providing there are few enough of you and you are ineffective."

Referring to a demonstration on behalf of Mr. Warren which had taken place outside the hall, Mr. Birch went on: "The failure of industry, government and the financial institutions to provide an adequate level of investment, particularly in the vital manufacturing sector."

Later, Mr. Merlyn Rees, Secretary for Northern Ireland, said when addressing a Fabian Society meeting, "Whatever Government is in power, the economy gets more mixed up with public and private and the public sector goes on growing. Those like Sir Keith Joseph who have been after the 1970s and Adam Smith are flying in the face of the facts of economic life."

The job of a Socialist was to use the trend towards a larger public sector to obtain a better society. Without democratic socialism, a growth in the public sector could become mere State capitalism.

Mr. Rees added that the concept of the joint stock company had developed with changing industrialism since the 1850s. He added that the planned National Enterprise Board was a logical part of this development in the face of technological and economic change.

Vote to end non-manual conferences

THE TUC General Council was accused for the second day running of acting undemocratically. But in the end an overwhelming majority endorsed the council's controversial recommendation that special annual conferences for non-manual workers should be abolished.

The recommendation was put by Mr. Len Murray, the general secretary, who said the time had come for the trade union movement to stop distinguishing between manual and non-manual workers and to "recognise the majority" of the latter.

Mr. Murray briefly referred to Monday's complaints that the General Council was not consulting member unions sufficiently before making major policy decisions. He said the recommendation to abolish special conferences for non-manual workers showed that the movement was willing to move with the times.

The General Council had consulted member unions representing non-manual workers and seven representing some 1.4m. people had wished to abolish the special conferences.

The General Council's recommendation was opposed by Mr. Tony Christopher of the Inland Revenue Staff Federation, who said there was a considerable demand in the civil and public service for these special conferences.

Winding up the debate, Mr. Murray said the General Council felt the time had come for a decision. Following his appeal, the move for reference back was overwhelmingly rejected.

NUJ 'ghetto' threat

CONGRESS WAS urged by Mr. Ken Morgan, general secretary of the National Union of Journalists, to ensure that the House of Commons debates amendments passed in the Lords affecting the closed shop provisions of the Trade Union and Labour Relations (Amendment) Bill.

Commenting on a section of the TUC general council report detailing progress of the Bill, Mr. Morgan said the so-called "Goodman amendments" on the closed shop would, if left unchanged, place his union in an "organisational ghetto".

The amendments provide for a legally backed character which would, among other things, free newspaper editors of any obligation to join a trade union.

act in order to end the attack on the whole trade union movement epitomised by this incarceration," he said.

Seconding the motion, Mr. Les Kemp, national building officer of the Transport and General Workers' Union, echoed Mr. Birch's call for Mr. Warren's release.

To loud applause, he urged the Congress to put their demand in a message to the Home Secretary. Finally, he called for an inquiry into the arrest, trial and sentencing of the Shrewsbury pickets and into their treatment in prison.

Supporting the motion, Mr. Mick McGahey, vice-president of the National Union of Mineworkers, said that if 13 miners arrested after picketing clashes in Scotland, during their 1973 strike, had been sent to prison: "They would have had to devise a means of digging coal without men."

including a work-in, had become "an accepted feature of the struggle by working people to prevent closures, unemployment and loss of job opportunities."

It called for "changes in the law which would enable such occupations to be treated as accepted forms of industrial action with immunity from legal proceedings."

The motion, which was supported by the Merchant Navy and Airline Officers' Association, included a special reference "to the problems arising from merchant ships being homes as well as work-places for seafarers."

Moving the motion for the Society of Lithographic Artists, Designers, Engravers and Process Workers, Mr. John Jackson, general secretary, said that in the past SLADE, as a craft union in labour-intensive industry had been able to control production because it controlled labour. In recent years, the printing industry had become much more capital-intensive, and the union's position had become correspondingly more difficult.

To defend their members' interests, unions now had to control the machines as well. Mr. Jackson said, "Work-in and sit-ins must be recognised as one more element in the trade union struggle."

Speaking for the technical, administrative and supervisory section of the Amalgamated Union of Engineering Workers, Mr. G. Clay said the number of sit-ins and work-ins would increase in coming months as our economic situation worsened and unemployment rose.

As more and more sophisticated machinery was introduced in industry, many workers found that it was better to stay on the premises while on strike to make sure that the machines were not being operated by management and blacklegs.

Mr. Clay said the law on conspiracy to trespass was part of "a web spun by the Establishment to catch those who are an embarrassment," yet had not committed any genuine offence.

For the Merchant Navy and Airline Officers' Association, Mr. Eric Nevin, general secretary, outlined the difficulties of "working-in" on ships. But he generally deplored that foreign companies could shut their power to close plants in the U.K. while continuing to trade with Britain from abroad, such as Litton Industries had done with Imperial Typewriters.

The eight-week strike is over a demand by outfitters for an interim pay rise to match the £10.80 interim awarded to boiler-makers in June.

But the outfitters' subsequent claim has been blocked by Government insistence that the 12-month rule in the new policy must be strictly observed.

At the last mass meeting only 1,200 of the men turned up, when they voted by a majority of just 19 to continue the strike in spite of attempts by union officials, led by the General and Municipal Workers' Union, to get them back.

The chief executive of Cammell Laird shipbuilders and four other directors were locked out of their offices for a while yesterday by boiler-makers pickets protesting about lay-offs.

The later got to work with most of the Birkenhead yard's 4,400 manual workers.

It said: "No claims have been received from the British Air Line Pilots' Association and no offers have been made."

Mr. Ken Baker, the GMWU's national officer for shipbuilding, has stood by his union's strong support for the new policy in what has been the most serious grass-roots challenge to it so far.

After hearing the outcome of the London talks, stewards will decide to-day whether to call another mass meeting.

The union hopes that its demand for the full £6 will be assisted by a recent settlement for its members employed in the Burton-Jackson tailoring group.

That agreement involved £3.80 weekly rises from September 22 and a further £1.40 from January 19, when a sick pay scheme is also to be introduced.

The union says that the total cost of the deal is equivalent to the full £6 allowed by the Government.

Mr. Warren and Mr. Tomlinson. Mr. Len Murray said the General Council had not emphasised the question of parole because the issue was the excessive severity of their sentences. He was loudly cheered when he said: "Although the men were found guilty, they were not found guilty of violence."

He went on: "Had these men or any other men been charged with violent acts in the course of picketing and been found guilty, that is down to them. It is not down to the trade union movement."

The men were prosecuted on conspiracy charges. It was right to ask why that device was dragged up from the morass of history."

Conspiracy

"Was it because judges still believed that trade unions are some sort of conspiracy, some sort of combination against the interest of society?" asked Mr. Murray who said that the suggestion for a further investigation would be considered by the General Council.

The TUC was not satisfied with the Home Secretary's reply on the question of taking the conspiracy law out of industrial disputes.

We have decided to go to the Prime Minister and raise with him, as a political issue, the question of conspiracy laws," said Mr. Murray.

On the question of the sentences passed on the pickets, Mr. Murray said the issue for the General Council had been what sort of action which it could take which had a reasonable chance of getting the men out of prison.

This prompted fresh interruptions from the gallery and Mr. Murray shouted: "I do not want to believe the activities of the sort we have seen here to-day are conducive to that end."

Amid continued interruptions, Mr. Murray said he would accept on behalf of the General Council a suggestion that Congress should send a message to the Home Secretary immediately, repeating and affirming "with all the voice of this Congress" the views expressed to him.

Mr. Breakell ended his speech with a warning that the EPTU would be opposing the motion. Mr. George Smith, general secretary of the Union of Construction Allied Trades and Technicians, thanked the TUC staff and Mr. Murray, the general secretary, for the amount of work that they had done in an effort to free Mr. Warren, who is a UCAIT member.

He said that the unions were not seeking to end above the law but there had been "manipulation," "legal juggling" so that the "savage sentences could be applied to

AN INCREASE in State retirement pensions for married couples to 50 per cent. of the average earnings of an adult male worker was called for by Congress. For a single man or woman, the pension should be one-third of those earnings, said a resolution that was virtually unanimously adopted.

The resolution also called on the Government to make sure that the envisaged reform of the pension system under the Social Security Pensions Act should come into operation by April 1977 at the latest, a year earlier than the Government is planning.

At the same time, Congress asked for a reduction in the retirement age for men to 60 years "at the earliest possible date".

The increase in pensions to 50 and 33.3 per cent. of average male earnings should be "an immediate aim," the resolution said.

During debate, the General and Municipal Workers—the third largest union in Britain—announced that it funds for meeting the TUC's new pension target were not available, it would demand that people on better occupation pensions should forego part or all of their claims on the State system to make more funds available for the less well-off.

Earlier, Mr. Terence Parry, general secretary of the Fire Brigades Union and chairman of the TUC's social insurance and industrial welfare committee had told Congress that private occupation pension schemes "should no longer be administered on the uncertain basis of goodwill, but should be subject to control by members through their trade unions."

While not objecting to a lowering of the retirement age, the present period of limited financial resources, the general council's priority was to improve the living standards of existing pensioners.

The TUC was also trying "to make the best of the present situation" as far as social security benefits, including unemployment benefits, were concerned. But it was planning to re-evaluate the joint TUC-Labour party working group on National Insurance to work out a policy for future improvements in short-term benefits which could be put into operation once the economic situation improved.

The motion calling for improved retirement benefits was introduced by Mr. Jack Jones, general secretary of the Transport and General Workers Union, who made an impassioned plea for society to do more for those people who were "too old to work and too young to die."

Over 3m. pensioners were still living in poverty, Mr. Jones said in a reference to earlier demonstrations over the "Shrewsbury Two." He added that pensioners deserved as much attention as people in gaol. "It should not be a crime to be old."

Although the Government was proposing to further increase old age pensions in November, they would still remain inadequate. Moreover, existing pensioners would not benefit at all from the proposed reform of the system.

There was a case for adjusting existing pensions every three months to bring them in line with rises in the cost of living and to adjust them once a year to keep them in line with average earnings, Mr. Jones said.

Seconding the motion, Mr. H. L. Gibson, general secretary of the National Union of Histories and Knitwear Workers, said that pensioners had given their life to the country and were entitled to their share of any increase in the wealth of the nation.

Maoist elected to General Council

LEFT-WING representation on the TUC General Council was strengthened yesterday by the first-ever election of a Maoist in the shape of Mr. Reg Birch of the Amalgamated Union of Engineering Workers, and by the defeat of Mr. Roy Grantham, Right-wing general secretary of the clerical workers union the Association of Professional, Executive, Clerical and Computer Staffs.

Mr. Birch's success and Mr. Grantham's defeat stem from separate Left-wing coups, and although there was some strong opposition to Mr. Birch, in the end votes traditionally cast for AUEW nominees to the General Council were sufficient to give him a winning 6.6m. total, compared to the 3.825m. cast for his nearest challenger.

Elsewhere, the retirement of Lord Brighshaw as general secretary of the National Society of Operative Printers, Graphical and Media Personnel, led to a close contest for his seat on the General Council.

This was captured by Mr. Bill Keys, general secretary of the Society of Graphical and Allied Trades, who narrowly triumphed over Mr. Owen O'Brien, Lord Brighshaw's successor at NATSOPA, by 5.61m. to 4.48m. votes.

The vacancy left by the retirement of Mr. Joe King from the leadership of the Amalgamated Textile Workers Union will be filled by Mr. Fred Dyson, general secretary of the National Union of Textile Workers, Dyers and Textile Workers.

At the same time, Mr. Sidney Weighell, general secretary of the National Union of Railwaymen, will fill the seat vacated by his predecessor at the NUR, Lord Greene. Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation, similarly will take over from his predecessor as union general secretary, Sir David Davies.

The overall result of the balloting at Congress means that there will be six new faces on the General Council from the end of this week, four of these new members filling vacancies caused by retirements.

After a four-year spell on the General Council, Mr. Grantham's candidacy hung in the balance this week following concerted Left-wing moves to dislodge him, which culminated in some determined backstage lobbying in the run-up to the completion of balloting yesterday.

He was defeated by Mr. John Morton, general secretary of the Musicians' Union, by the slim majority of 523,000 votes. Mr.

make the best of the present situation" as far as social security benefits, including unemployment benefits, were concerned. But it was planning to re-evaluate the joint TUC-Labour party working group on National Insurance to work out a policy for future improvements in short-term benefits which could be put into operation once the economic situation improved.

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INTERIM STATEMENT

NURDIN & PEACOCK LTD.
The Cash and Carry WHOLESALESALES

Turnover and Trading Profit for Half Year ended 5th July, 1975.

	5th July, 1975	29th June, 1974	30th June, 1973
Turnover	60,469,300	43,200,385	102,952,000
Trading Profit before Tax	830,000	628,435	2,078,000
Taxation at 52%	431,600	328,786	1,082,000
	398,400	301,649	996,000

The figures shown for the two half years are unaudited.

In connection with our recent successful Rights issue, we received Treasury consent to a dividend increase in excess of the maximum allowed by the latest Government legislation. The Directors are therefore paying an interim dividend on the Ordinary Share Capital of 1.3p per share (1974-1975) payable on 31st October, 1975, to members registered at close of business on 3rd October, 1975.

Sales for the six months show an increase of 40% over the same period last year whilst profits have increased by 32.7%.

We have referred in earlier reports to Government control on profit margins and advised you that to continue the increase in profit of your Company necessitated higher sales. The above figures show we have achieved this in the first six months. Sales to date since the 5th July, 1975, have increased against the corresponding period last year by some 37%, but once again we must stress that the Government policy and general economic situation renders it unwise for your Board to make any definite forecast other than to observe that subject to this proviso your Company can look forward to another successful year.

We are completing an extension to our Lowestoft Branch of some 10,000 sq. ft., which is necessitated by the increase in registrations and sales being enjoyed not only by our Lowestoft Branch but by all other Branches. Your Board's policy of keeping closely under review opportunities which may arise for new branches is still operative but no final commitments have, as yet, been made in respect of this current year.

J. A. PEACOCK, Chairman.

Swan Hunter stewards to discuss peace plan

BY OUR LABOUR STAFF

SHOP STEWARDS representing 5,000 Swan Hunter shipyard workers who are on strike in defiance of the Government's pay policy meet to-day to consider a peace formula agreed yesterday between management and union officials.

Details of the agreement were not disclosed after a four-hour meeting in London.

Union officials had been looking for a guarantee that Swan Hunter would give the 5,000 outlying and ancillary workers parity with boiler-makers and other craftsmen when Government policy allowed.

The eight-week strike is over a demand by outfitters for an interim pay rise to match the £10.80 interim awarded to boiler-makers in June.

But the outfitters' subsequent claim has been blocked by Government insistence that the 12-month rule in the new policy must be strictly observed.

At the last mass meeting only 1,200 of the men turned up, when they voted by a majority of just 19 to continue the strike in spite of attempts by union officials, led by the General and Municipal Workers' Union, to get them back.

The chief executive of Cammell Laird shipbuilders and four other directors were locked out of their offices for a while yesterday by boiler-makers pickets protesting about lay-offs.

The later got to work with most of the Birkenhead yard's 4,400 manual workers.

It said: "No claims have been received from the British Air Line Pilots' Association and no offers have been made."

Tailors press for full £6 increase

By Roy Rogers

LEADERS OF 130,000 garment workers are continuing to press for a Government inquiry into their employers' refusal to meet the full £6 a week pay increases allowable under the Government's wages policy.

They already have had one request turned down by the Department of Employment, which suggested to the National Union of Tailors and Garment Workers that it should approach the Advisory Conciliation and Arbitration Service.

The employers, the Clothing Manufacturers Federation, however, have refused to go to arbitration because it says that it cannot afford to pay more than the £3.80 a week offered. The offer is in addition to a £2.40 a week interim deal concluded in April.

The union hopes that its demand for the full £6 will be assisted by a recent settlement for its members employed in the Burton-Jackson tailoring group.

That agreement involved £3.80 weekly rises from September 22 and a further £1.40 from January 19, when a sick pay scheme is also to be introduced.

The union says that the total cost of the deal is equivalent to the full £6 allowed by the Government.

Concorde deal is denied

By Michael Donne

BRITISH AIRWAYS yesterday denied reports that it was planning to cut flying hours for Concorde pilots as a way of getting round the Government's anti-inflation pay policy.

It said: "No claims have been received from the British Air Line Pilots' Association and no offers have been made."

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Mulley urges new attitudes

THE BRITISH people may have to adopt new attitudes which they have rejected in the past if the country's economic problems are to be overcome, Education Minister Mr. Fred Mulley, told Congress.

Speaking as fraternal delegate from the Labour party, Mr. Mulley said: "There is no future in trying to make goods that people will not buy at the price they cost to make. We cannot escape the harsh economic realities of the world in which we live."

"We can and must come to terms with them, although, to succeed we demand new attitudes and a much more radical

Jobless friction 'could mean more assaults'

CONGRESS was warned that violent attacks on public servants could well increase as a result of rising unemployment and inflation.

This message was mainly given by Mr. Bill Kendall, general secretary of the Civil and Public Services Association, during the debate on a motion calling for changes in the law to increase protection for public servants from assault.

The motion, adopted unanimously, said Congress viewed with alarm the growing physical assaults on the public service and "expresses dismay" at the lack of protection afforded by the law and the often derisory penalties imposed by magistrates for these offences.

Congress asked the TUC general council to seek early talks with the Government to obtain such changes in the law.

Proposing the resolution, Les Moody, from the Civil Services Union, said people would be fined more for kicking a dog than for assaulting public servants as the law stood at the moment.

"How long shall civil servants be allowed to be punched for every bully who wants to put in the boot?" he asked.

Mr. Kendall said the vast majority of assaults were against people employed in the Department of Health and Social Security, the Department of Employment and the courts. This violence was often the result of frustration, particularly frustration arising from economic problems, which were not the fault of the claimant.

The ranks of the unemployed are increasing at quite an unacceptable rate," he said.

The net result of this will mean that the numbers of those seeking unemployment and social security benefits will grow to unprecedented levels. This will impose serious strains on the administrative machine, and increase the level of friction on both sides of the counter."

On behalf of the Transport and General Workers Union, Mr. Larry Smith talked of the "innate fringe of our permissive society who indulge in the killing and maiming of people employed in the public services."

He too referred to the economic reasons for rising violence.

Many assaults happened when conductors on public transport were demanding fares and with each increase in fares the number of violent incidents tended to rise.

Mr. Frank Haef of the National Union of Public Employees said the provisions of the new health and safety legislation should be used to protect public employees against attacks.

APPOINTMENTS

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- (2) SENIOR CONSULTANT/CONSULTANT in each of the following areas: Tax Administration; Personnel Management; Financial Management and Local Government Administration. Applicants must be graduates or professionally qualified persons with considerable professional practical experience. The Institute is an administrative staff college to the government of Nigeria as well as a graduate school of public administration. The duties of the appointees will be to teach, carry out research and provide advisory service to Governments, Corporations and other state-owned Companies, and carry out consultancy assignments in his field of specialisation.

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PUBLISHING Consulting, Acquisitions, Marketing

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Financial Times, 10, Cannon Street, EC4A 4BY.

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COMPANY NOTICES

DIVIDED NOTICE TO THE HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS IN COMMON STOCK OF

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Chemical Bank, as Depositary, hereby gives notice that the dividend payable on the shares of Common Stock of Trio Kenwood Corporation, as recorded in the books of the Corporation, is £1.00 per share.

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CRICKET

BY TREVOR BAILEY

England still fighting

ENGLAND DISPLAYED the same determination and concentration in their fight back on the second day as they had shown on the previous one. Their main objective was to avoid losing wickets and in this they were largely successful, but - consequently runs were few and far between. Perhaps the best indication of this is provided by Mallett's bowling figures, 30-27-69-0.

When bad light brought play to a halt just over an hour before the scheduled close England were 333 for four which means they still need eight runs to make Australia's bat again. They can still lose this match, but providing there is no marked deterioration in the pitch, or the weather comes to the aid of Australia, they must now stand on an excellent chance of forcing a draw.

Some may argue that Greig ought to have been more ambitious and to have asked his batsmen to increase their tempo, as Underwood and Edmunds might well have caused considerable problems if the tourists had had to make between 160 and 200 in three or four hours. This approach would automatically have increased the chances of defeat, but it would certainly have provided greater entertainment for the spectators.

At the start Edrich was 91 and Steele on 52. The latter appeared, the more confident and sent up the 200 with a fine straight drive off the back foot. Edrich, however, was unable to exert his mastery of the previous day and when he had reached 95 his middle stump was removed by Lillee.

Walker took over from Thomson, who had been somewhat wayward in his direction and at 209 Lillee had Steele caught behind for another praiseworthy innings, this time of 66.

Rooke avoided a pair off the same bowler and was joined by Woolmer who experienced a very unhappy over from Walker. With both Edrich and Steele back in the pavilion the Australian attack immediately became more menacing.

Lillee, using a shortened run and reducing his pace, posed many problems, especially for Woolmer. The Australian fast bowler kept going at the pavilion until relieved by Mallett for the final over before lunch. Woolmer was content to exist, but Roope produced several im-



John Edrich is bowled by Dennis Lillee.

pressive strokes off the front Roope who completed his half century, including one fine cover drive.

By lunch England had managed to climb to 303 for 3 needing only 38 runs to make Australia bat again. Roope was 121, his highest test score and Woolmer 28.

The same pattern of play continued after the interval. Lillee bowled very fast and became visibly annoyed with the general proceedings. Both batsmen were a shade more positive without ever seeking to dominate the scene. At 331 Lillee clean bowled Roope for a solid 77. Two runs later and with just over an hour remaining the umpire asked Greig whether he wished to continue batting in the now murky light. He decided against, once again indicating that his principal concern was avoiding defeat rather than the pursuit of a by that stage a near impossible dream of victory.

Fortunately for the spectators G. Chappell was given his first over of the series and not surprisingly was a little rusty. He provided some easy runs which were gratefully accepted by the batsmen.

TENNIS

BY JOHN BARRETT

Impressive win by Connors

WITH AN admirable sense of showmanship—not to mention commercialism—the organising committee of the \$308,430 U.S. Open, the richest in its history, played its two trump cards on Monday evening to boost attendances.

They scheduled the two top seeds Chris Evert and Jimmy Connors, the heroine and the villain of American tennis, to play their matches under the bright glare of the floodlights and the experiment was an outstanding success.

More than 8,000 spectators arrived to cheer and jeer as first Evert, the reigning champion, and then Connors, the court favourite, played the court with her customary precision, dissected the game of her Florida opponent Wendy Overton by the intimidating margin 6-0, 6-1, and then 6-3.

At last the fans, who have spent an extra \$166,000 on watching the evening sessions, were given their money's worth.

Despite the brevity of Evert's 35 minute win, although she knew what she meant, it was perhaps indiscreet of Miss Overton to say after her defeat, "I was just bored out there."

The only made four unforced errors in two sets, she always "threw" the ball.

Miss Evert increasingly wears an air of invincibility on these slow courts similar to the ones in Fort Lauderdale which were her nursery in the days when her father taught her the merits of consistency and accuracy above the glamour of unhesitating pace.

Wednesday night's win brought her tally of consecutive clay court victories to a daunting 31, and her next opponent Kerry Reid—who as Miss Melville has had her moments of glory here as a finalist in 1972 and a semi-finalist twice before that, all in the days when the tournament was played on fast grass—must ponder how she can upset the rhythm of this remarkable 20-year-old.

For a while it seemed that Connors might fall victim to the top spin wiles of the diminutive Solomon as he trailed 3-4 through his own errors in trying to force the pace and because of some judicious approaches to the net behind balls which Solomon threaded past him with his deceptive, double-handed backhand.

As Connors began to discipline his somewhat clapped back into the match the gallery which had greeted his early errors with jeers began to applaud his courage and skill. A run of six

games won him the opening set 6-4 and gave him the impetus of a service break to start the second.

This set produced some really remarkable hitting from Connors whose sheer pace made defence impossible. But his persistent little opponent was rewarded with the third set as the booming shots narrowly missed the lines.

For a moment there were prospects of a repeat victory for Solomon who in 1972 had scored in straight sets when they met on clay in the French championship.

But Connors has improved since those days. As he said afterwards: "Clay had better become my best surface from now on. I am prepared to stay out there four or five hours every time I play."

This time it took him three minutes short of three hours and certainly one appreciates a greater maturity now. The impulsiveness to win is controlled by the knowledge of his own limitations, and he is all the greater for it. His prospects of winning are certainly enhanced by this latest performance.

FT CLIPPER RACE

Great Britain II opens up 24-mile lead over Kriter

BY ALEC BELBY

GREAT BRITAIN II had opened up a lead of nearly 24 miles by yesterday morning over her nearest rival, the Frenchman Kriter II, in the Financial Times Clipper Race.

But Kriter II, second 24 hours to 1000 (GMT) she had made only 120 miles in very light winds to a position 49° 12' N, 4° 15' W approaching Usant.

Kriter had reported her position at 49° 38' N, 2° 38' W, to be near the Clippert route record, 38° 12' W due west of Guernsey showed by a high pressure zone with the Italian entry CS E RR which they are likely to run back into through the Alderney Channel, at 49° 30' N, 2° 20' W in the vicinity of Sark three hours later.

She may have used the channel to avoid the calms to the north, down as Madeira with the only

or have been caught in the eight-knot Alderney race. There was no reported position for Holkade's The Great Escape, but she was thought to have dropped behind. She was sighted on Monday becalmed off the Kent coast having missed the tides.

The light winds mean that GB II is already behind the schedule to beat the Clippert route record, 38° 12' W due west of Guernsey showed by a high pressure zone with the Italian entry CS E RR which they are likely to run back into through the Alderney Channel, at 49° 30' N, 2° 20' W in the vicinity of Sark three hours later.

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APPOINTMENTS

IBM senior executive changes

Mr. P. C. Clarke, previously vice-president, data processing marketing and service, IBM Europe, has been appointed director, data processing division of IBM UNITED KINGDOM. Mr. N. Jones, previously director, personnel and corporate affairs, has been appointed director of a newly established management services division. Mr. L. H. Peach, previously group director, personnel, IBM Europe, has been appointed director, personnel and corporate affairs.

RESEARCH as a non-executive member of the Board.

Mr. D. Smith has been appointed a director of SAINTEFRAN.

Mr. M. G. Taylor and Mr. A. G. L. Alexander have been appointed associate directors of HANSON TRUST.

Dr. C. C. Webster is to become chairman of the HARGREAVES CERIALS AUTHORITY'S Scientific Research Panel and Professor W. J. Thomas chairman of its Economic Research Panel. Dr.

Whether succeeds the late Mr. F. R. Horne, while Professor Thomas replaces Professor D. K. Britton who remains a member of the Authority and the Panel.

Mr. Harold W. Smith has joined the International Department of the FIDELITY BANK, of Philadelphia, as vice-president in charge of the bank's business activities in the Far East, South East Asia and the Pacific Basin.

Mr. R. L. A. Howard has been appointed to the Board of ACROW AUTOMATION as financial director.

The Executive's World

America's West Coast boasts the academics' top business school.

Art Garcia describes how Stanford became the . . .

Harvard of the West

"A GRADUATE school of business administration is urgently needed upon the Pacific Coast," wrote the U.S. Secretary of Commerce in 1924 in California. "Herbert Hoover was pushing an idea that had been under general consideration since Harvard University opened the nation's first graduate school of business in 1908. Lack of a business school in the West was prompting hundreds of young Californians to head for eastern universities. Demand for these men in the East upon graduation is far in excess of the supply and California is losing many good brains," wrote Mr. Hoover, who proposed the western business school be located at his alma mater, Stanford University at Palo Alto, 35 miles south of San Francisco.

Number one

That dream had to wait for the nation's recovery from World War I until 1925 when the new school opened its doors in the biology building on the Stanford campus. Fifty years later, a survey of heads of America's business schools published in MBA Magazine ranked the Stanford Graduate School of Business the number one U.S. business school in academic quality. The deans polled by the publication rated Harvard second and the University of Chicago business school third behind Stanford, although in rating the graduate schools in terms of their value to the student in landing good jobs, the deans ranked Harvard first, Stanford second.

Where Stanford a few years ago used to be referred to as the Harvard of the West, the reference in Palo Alto now is to Harvard as the Stanford of the East. Winning such a "hit parade" poll is gratifying, particularly when the school's efforts are recognised by peer groups who are probably most qualified to judge, "but the more meaningful polls are when you're rated in particular fields, such as accounting," says Arjay Miller, dean of Stanford's business school. The Journal of Accountancy, publication of the American Institute of Certified Public Accountants, found in its survey last year that Stanford is number one in accounting, measured both by quality of faculty and effectiveness in its graduate programme. Soon to come is another national poll rating business school fields whose findings, while not yet announced, will show Stanford totalling 71 of a possible 100 points, with the next school collecting only 24 points.

That will provide more gratification for Dean Miller and his faculty, still, the five fields evaluated in the latest poll do not cover economics and public policy. "That's where our emphasis is and I think if we were rated in that we'd deserve to be number one because we have the best faculty, and that's the key," says the 59-year-old former president of Ford Motor



The Graduate School of Business, Stanford.

Company. Since leaving Ford in mid-1969 to accept the dean's post at Stanford, he has concentrated on improving the school's teaching of public management, a field other universities don't include in their business schools but leave to schools of public administration.

Hard-nosed

To Dean Miller, who was one of Henry Ford's "whiz kids" with Robert McNamara (who later became U.S. Secretary of Defence in the Kennedy Administration), that's a mistake. "We're not really short of analysts as much as the implementation phase, the getting things done, the hard-nosed decisions business has to bring," he says. "That's what I wanted to see brought into the public sector. That was a prime consideration in my agreeing to come here." He's more convinced than ever after the near-bankruptcy of New York City that the question which needs to be closely looked at is how to make society function more effectively and how business management know-how can be applied to the public sector. "The private sector really knows how to get costs down. As long as we keep free enterprise relatively free, that will hold in place," Dean Miller says. "But if there's a difference between this business school and others, it's in trying to concern ourselves with the proper interface between the private and public sectors, in-

cluding training people for the public sector." One of his principal aims at Stanford has been to produce managers who will go directly into public service at government, foundation, education or other non-profit levels. Another objective has been to bring middle and senior management back to the campus for an updating in their thinking, including increasing their awareness of today's urban and social problems.

"This is where I feel the biggest need is and where there's the biggest shortfall," he declares. "We believe there is a general management skill that is transferable." The businessman of tomorrow, he says, must have a broader viewpoint and a broader educational base than ever before. "To be effective private citizens, the businessman of the future will have to be more concerned with relating to government, environmental issues and quality of life," the dean emphasises. "You just can't go back and knock out cars or television sets for a profit and get by anymore. The problems in society cannot be solved by business working alone."

The economic problems of New York City and Great Britain underscore this need. "That's why in addition to having business people who can cope more effectively with the new demands being placed upon them in our two-year Master of Business Administration pro-

gramme to go directly into the public sector. Society needs these people because government agencies and non-profit organisations have to be managed better," Dean Miller explains. But can a massive complexity such as New York really be effectively managed? Can the pressures and power of the city's huge labour unions really be handled under the rules of the business management game?

"Yes, absolutely," fires back the Stanford business school chief. "Better management means having kept your costs under better control and dealing effectively with the unions. Unions have a tight control, but by the same token unions have been pushing on private businesses all these years and they haven't collapsed or become bankrupt because of submission to excessive union pressure. There's a balance you have to keep in mind, but effective management would not just wait until you reach a crisis," he adds.

"As it is, the emphasis in the public sector seems to be to raise all the taxes you can and borrow all you can," he continues. "You only look at the cost side when you are completely bankrupt. Effective management in the public sector, to me, means anticipating what can reasonably be expected from your revenues and cutting expenses. The point is, we just can't afford all the good things in life we would like and management essentially means dealing with scarce resources." New York will provide management case study examples for years, he says, adding, "I should think, in a way, the experience of England itself is the same kind of example among nations. I'm not saying Great Britain as a country is in the same situation as New York, but there's a general recognition there of the serious nature of their problems and they're going to have to do something in the future different than they have in the past."

Promises

"I'm prepared to state England as a whole has to be better managed than it has been," says Dean Miller. "It has to recognise in the public sector it can't do all the good things it would like to do in health insurance, social security and public services. What must become more and more realised is that the source of our affluent life is productivity in both the public and private sectors." Promises and spending as if there were no tomorrow have been winning political formulas in the past but that view has to end because now scarcity is the name of the game, he points out, and there must be a greater awareness of and emphasis on productivity and conservation.

To do otherwise, he argues, creates an impossible situation in this day. "You cannot escape the harsh facts of reality," says the dean. "Economics is called the business science, and not without reason. You just have to emphasise the balancing off of your needs against the capability to pay and that, to me, is the essence of management—setting objectives, recognising your scarcities, and then reaching the goals effectively. We need better management," says Dean Miller. "but can it work in a democracy? I think the answer is yes."

Stopping the hidden losses

BY NICHOLAS LESLIE

THOUGH you think you are a safety conscious company with a workforce of some 1,000 people, you can nonetheless expect to lose over £42,000 a year as a result of accidents, both to the workforce and to plant and products. If you are not particularly safety conscious this loss figure can be expected to be significantly higher.

This loss estimate is based on research which two years ago showed that losses per employee would be about £38 and which can now be expected to be at least 50 per cent higher.

The Robens Report, which preceded the introduction recently of the Health and Safety at Work Act, dramatised the damaging effect to industry of accidents with the statistic that insured accident costs in industry were in the region of £200m, and that uninsured and operating losses may be almost seven times higher, that is around £1.3bn. to £1.4bn.

For the most part, companies have a differing level of consciousness of the type of insurance they should be taking out. That is, insurance on employees' liability, fire and explosion, consequential loss and National Insurance contributions.

But, as General Accident Fire and Life Assurance Corporation argues, it is the uninsured operating losses which produce a heavy drain on a company's net profit.

Anticipating the type of legislation which the Health and Safety at Work Act embodies, General Accident formed, through its Scottish Boiler and General Insurance subsidiary in 1973, a Safety and Loss Control Service to enable it to offer its expertise in establishing a safer working environment.

Boost

Mr. Charles Heath, General Manager (U.K.), of General Accident, feels that this service—which he believes to be "not generally available in the insurance market"—is in line for a boost because "industry is now beginning to recognise the implications and requirements of the legislation."

Big companies are not part of General Accident's market because they will generally have their own internal organisation to handle such matters. What will be analysed, and hopefully avoided with the smaller company clients, will be

the cost of an accident in terms of lost production, lost time of injured employees, payments to employees, and in-house sickness schemes. In addition, there are losses resulting from damage to plant, machinery, materials and stocks, together with the cost of repair to such plant and replacement of stocks.

Illustrating in very simple terms the type of loss which should be avoided, Mr. Kenneth Noble, deputy liabilities manager of General Accident, explains how just a minor injury to a worker on the factory floor can not only cost money in terms of production lost on a particular machine and any damage resulting, but also in terms of the very natural reaction of fellow workers to stop work—for effectively anything up to 15 minutes or so—and ensure that the injured person is taken care of.

As an example of the type of "market" General Accident is aiming at one needs look no further than Factory Inspection statistics which show that around 1,800 people are killed in industry per year, with further 700,000 seriously injured. More than 20,000 new cases of disease—such as

pneumoconiosis and non-infectious dermatitis—are notified each year. And in the same period industrial accidents and disease result in industry losing between 18m. to 23m. working days.

Next stage

Under its scheme to combat the wastage of profits through accidents, General Accident begins by surveying a company to review its current safety practices and to report its recommendations on the type of control which should be brought in.

The next stage would be to put the recommended measures into effect and this should subsequently be followed by a continuous appraisal of the effectiveness of an agreed safety and loss programme at regular intervals.

A point which Mr. Noble emphasises is that for any system of loss control to work properly in practice it is necessary for responsibility both at the initial stages, and subsequently, to be assumed at the top management level of a company, preferably as Board level.

BUSINESS PROBLEMS

BY OUR LEGAL STAFF

Lump sum payments on retirement

For 40 years I have been managing director of a private company and am now proposing to retire, with no company pension. Am I not entitled to receive from the company at least one year's salary tax free, which I would take weekly and not as a consultant? It has been suggested to me that the Revenue would not agree.

If the company pays you a reasonable lump-sum payment it might well qualify as a "golden handshake" but if you remain as a shareholder there is a possibility that the Inland Revenue will regard the payment as a distribution, that is, as if it were a dividend, and if they were successful the normal consequences of the company paying a dividend would follow. You do not mention the sum you have in mind but if it is reasonable in all the circumstances we would agree, on balance, that the lump-sum payment could be made.

Capital gains tax

Could you tell me the capital gains tax position regarding a sale of Investment Trust Corporation ordinary shares and of the 5 per cent convertible loan stock? I want to calculate how much loan and debenture stock to sell to cover any profit made. Any chargeable gain arising on a disposal of the 25p ordinary

shares of Investment Trust Corporation Limited will qualify for credit under section 112 of the Finance Act 1972, according to the latest information available. There is no reason to suppose that the position will alter in the foreseeable future. For the current year, the rate of credit is 17½%, that is half the basic rate of income tax; it was 16½% for 1974-75 and 15% for 1973-74. No credit would be due on a sale of nonconvertible 5% Convertible Unsecured Loan Stock, 2000-05, but full credit would be due if the stock were converted and it was the result of ordinary shares which were sold.

However, such credit is only given where there are actual net chargeable gains for a year, after offsetting allowable losses on assets of every type, and where there is a net capital gains tax liability for the year. In

your case, therefore, if it is your intention to cover 1975-76 chargeable gains by allowable losses on debenture stocks, etc., you will derive no benefit from the existence of section 112 of the 1972 Act.

Tenants of bedrooms

I own a number of flats one of which was let to two bachelors who found two others to share it with them. None of the four original tenants is still there, but as I understand it, with the expiry of the original lease their successors are individually our tenants (they each pay their rent individually to us). In order to keep control of the situation, could you advise me whether I am right in assuming that they are legally tenants of the specific bedrooms they occupy, presuming they are entitled to share the com-

munal facilities, and do not have the right to exchange one bedroom for another, as vacancies occur, without my prior consent?

If the people at present in occupation regularly each use separate bedrooms and do not, for example, frequently change from one room to another, the tenancy which each has is of the bedroom used by him or her, with shared use of the other rooms. You must make it clear on the next payment of rent that you are accepting rent for a specific bedroom plus shared use of the other rooms, identifying the bedroom in question. This can be done by recording it in writing on the rent receipt.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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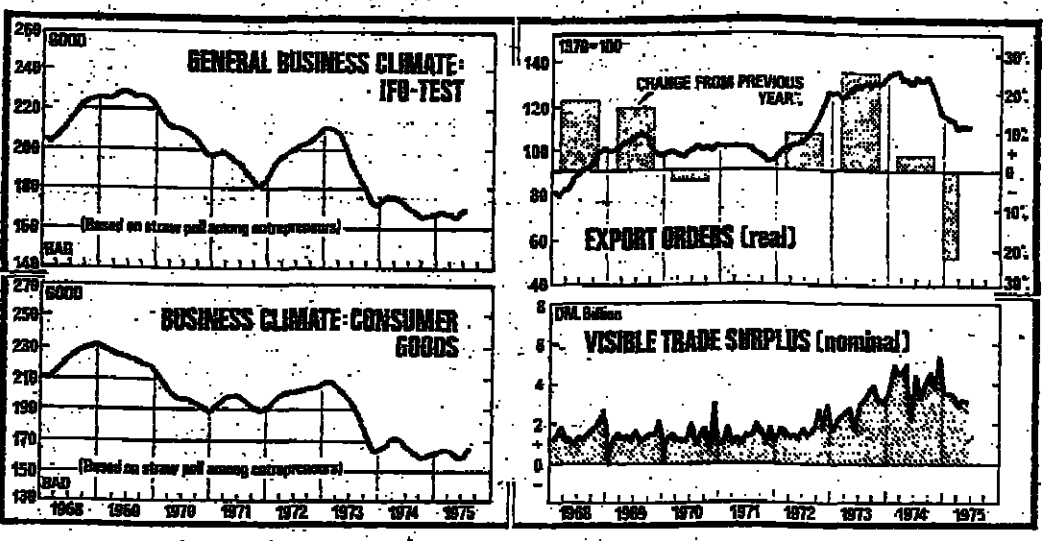
The Financial Times, Wednesday September 3 1975
West Germany's latest DM5.75bn. programme to boost the economy has been criticised as inadequate. Jonathan Carr reports from Bonn

Germany's reflationary predicament

HAS THE monetary bludgeoning brought much more than a moult? It is not clear. The economy as a whole is not yet out of the doldrums. Further, much of the question as to whether the programme is aimed at helping the economy to grow or to help it to survive the winter and the coming of the "crescendo" of the direct effect on Germany's intense Cabinet activity lasting imports clearly will be marginal, far into the night.

But the Government stresses, first, the Government's programme to help measures must not be seen in isolation. This is the fourth such of Bonn's partners, including programme Bonn has introduced. The latest programme, announced in December, is a tax reform, the budget, which will be passed in the next few months, means that the State will have to pay at least DM1.4bn. more to seek more credit next year. This year in private hands. The than this. In response to the Government measures have been criticism, an irritated Government, accompanied by steady action, insists that it has done from the Bundesbank to what is reasonable and possible, improve bank liquidity and drop both discount and Lombard rates. Add all this together and you have, in Bonn's view, a responsible reflationary programme second to none. If it more or less the same time effect then, in the Government and which Chancellor Helmut view, this is simply because no Schmidt hopes will drag the national policy on its own could industrialised world out of its counteract a world recession of France is following this week with, by all accounts, a much bigger programme of its own. The Benelux countries are joining in as are Italy and Denmark. Given the signs of recovery in the U.S. and Japan, the result might be a sharp turn upwards in the first half of next year.

It is not surprising that several other western nations feel that if the economic up-swing emerges it will be little thanks to the latest efforts of Bonn. A programme involving back in real terms between expenditure of DM5.75bn. in January and July by 12 per cent country whose gross national product to DM127.5bn. compared with product is close to DM100bn. the same period in 1974. As



Though the West German reflation programme is not expected to do more than steady the economy, there are signs that German exporters may be over the worst. The IFO Economic Research Institute in its latest monthly straw poll of exporters found their pessimism less than in previous inquiries. One reason may be that the Deutsche mark has lost ground against the dollar, making German goods more competitive. Private consumption appears to be recovering in IFO's view: the institute estimates that in the first half of 1975 it grew by 3 per cent. (real), whereas exports fell by 13 per cent. and private investment by 6 per cent.

A few years ago when the economy was in danger of overheating and inflation was the chief enemy. Even after using up these funds, the Government still has to borrow as well to finance its contribution to the programme.

Obviously the recession has had much to do with this. Tax revenue has plummeted much more sharply than feared while expenditure has risen — for unemployment benefit — among other things. But there is a structural component to the deficit as well: that is to say there is an element which would not disappear even if the Government's best hopes were fulfilled and the economy moved into high gear next year. Between 1970 and 1974 the so-called "State quota" — that is State expenditure including social insurance payments as a proportion of GNP — rose by 6 per cent to 43 per cent. Over the same period income from tax and social insurance contributions rose by only 4 per cent to 39.3 per cent of GNP. But the figures also indicate that the State was heading for a serious financial problem.

The programme on which the Cabinet decided after a final session lasting 20 hours contains real sacrifices for many Ministries. Among those which will see their budgets drop even in nominal terms in 1976 are Economics, Finance, Agriculture, Building, Education and Science and Technology. The Bundesbank's longstanding upshot will be a total budget

for next year of DM168.1bn. — a rise of only 4.1 per cent. against this year when there has been an increase of 16.5 per cent over 1974.

Few doubt that this result was hard to achieve and that at least one ministerial resignation was avoided by only the narrowest of margins. But it is by no means only the political opposition which feels that the programme does not go far enough. For example, the Economics Minister, Herr Hans Friderichs, made it clear that the Government was basing its calculations on an economic growth rate next year in nominal terms of 9.5 per cent. and a real growth rate of 5 per cent. Furthermore, even if the programme works out exactly as planned, there will be no reduction in the Government's credit needs until 1977.

For much of this year the Government had been covering its borrowing requirement fairly smoothly, but in the summer, the bond market showed clear signs of strain and the Bundesbank has been forced to intervene on a substantial scale since July. These problems have emerged even in a year when private savings are at an exceptionally high level and industry has been little disposed to seek credit itself.

Next year, if the Government's own prognosis proves anywhere near correct, the economy will be moving up and the private sector's demand for credit should substantially increase. But if Federal Government and individual states are trying to borrow at the same time, the result seems bound to be rising interest rates, the undermining of the Bundesbank's longstanding efforts to keep cheap credit available — and a serious setback for the cause of the economic upswing even as it begins to emerge.

In this predicament, it is not surprising that more has been heard in Government circles of "international interest rate disarmament" — an old German idea gaining a new lease of life. The argument is that if only the Americans in particular would drop their rates, the Bundesbank would have more scope to reduce the discount rate even below its current level of 4 per cent. Herr Schmidt broached the matter with President Ford in Bonn and Helsinki, but if Washington fully appreciated the force of the Chancellor's remarks then it has yet to take action on them. It could be the Germans ruefully admit, that inflation is already emerging as the key enemy in the U.S. — and that, not for the first time, the internal needs of the European and American economies do not precisely coincide.

So much for what emerged from the Government's programme. But mention must be made of an important element not forthcoming: namely, measures to increase private sector investment in the medium term. Between 1970 and 1974 real investment rose on average by only 2 per cent a year. Yet the Economics Ministry has claimed that a real economic growth rate of some 4 per cent will be required for a return to a high level of employment and that this can be attained only if investment in the private sector rises in real terms by between 5 and 6 per cent a year.

At a closed meeting of the FDP leadership in July, Herr Friderichs put his finger on the reasons for the low level of investment to date. Among other things, there has been the sharp rise in wage costs per unit of production — up by 8.4 per cent on average between 1970 and 1974 against an average rise of only a little over 2 per cent during the 1960s.

Herr Friderichs also drew attention to the burden arising from other costs. For every DM100 the average employer pays out in money wages, another DM60 goes on fringe expenses including social insurance, workers capital formation schemes and the like. Further, he remains doubtful about the outcome of long-discussed Government reform plans such as an extended scheme of worker participation in management.

As an at least partial solution, Herr Friderichs suggested the introduction of a limited "carry back" scheme under which enterprises would be able to set past losses against current profit for tax purposes, an examination of further measures to bring tax advantages for the private sector, and a clear line on the Government's reform intentions in the medium term.

By contrast, last week's Cabinet decisions mean that employers are faced with higher unemployment insurance contributions from next January and the prospect of a costly competition with the State for credit. There is no word on the "carry back" and no clarification of the reform course. Ministers have pointed out that the private sector now knows that the State is making a serious effort to put its financing in order. That is true — but there is widespread doubt about whether it will succeed.

Letters to the Editor

Comparison of company data

From Mr. R. W. Coghill.
Sir—Through accepting much of what Mr. Taylor Harrington says in his letter, I do not feel moved to defend the role of published accounts and the silent multitude of accountants labouring to provide a true and fair view. To interested parties, at least, we see these industries as a whole, there is such a thing as a "law" of supply and demand. In a mixed economy, the forces of supply and demand cannot be ignored. If the nationalised industries continue to ignore "these forces," they must be at the expense of greater unemployment in the private sector. Are workers in the nationalised industries really that more important than their colleagues in the private sector? If so, why a mixed economy?

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Royal Opera Chorus and Orchestra (conductor Colin Davis), Britten (Peter Grimes—concert performance), Royal Albert Hall, 7 p.m.

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Rejection by the U.S. of Concorde would be serious but need not be a disaster, argues Michael Donne

Flight trials for selling Concorde

INSIDE THE Civil Aviation Authority's Airworthiness Division headquarters at Redhill, in Surrey, the workload is mounting as Concorde moves towards completion of its flight test programme and the award of the coveted Certificate of Airworthiness that will clear it for fare-paying passenger service. On the other side of the Channel, similar pressures are on the Secretariat Générale à l'Aviation Civile, the French equivalent of the CAA.

The aim is that the respective organisations should grant the C of A jointly some time in October or November, so that the two flag airlines, British Airways and Air France, can start revenue flights as early in the New Year as possible.

The award of the Certificate will mark the formal completion of a programme that has lasted more than 13 years since its inception in November 1962, and has already cost the British and French taxpayers over £300m., with the ultimate bill for research and development amounting to more than £1bn., equally divided between the two countries. For there will be further work on Concorde for some time to come. The production programme itself, covering the 16 aircraft authorised by the two Governments, is still only half-way through, and the two manufacturers, British Aircraft Corporation and Aérospatiale, together with Rolls-Royce (1971) and Snecma, are confident that further orders will come once the aircraft enters airline service. It is probable also that there will have to be some further research and development—for example, to reduce noise levels.

Evolving

Moreover, no aircraft design is static: it is evolving all the time in response to customers' requirements, quite apart from the longer-term possibility of second-generation aircraft.

So far, eight Concorde have

been built—two prototypes, two pre-production aircraft, and four of the 16 production aircraft so far authorised. Of the remaining 12 production aircraft, two (Nos. 5 and 6) at Toulouse in France and No. 6 at Filton, near Bristol, are due to fly this autumn. No. 6 will be the first to be handed over to British Airways, with No. 4 probably being the second to be handed over by early next year. Behind these aircraft, No. 7 at Toulouse and No. 8 at Filton are already recognisable Concorde in the final assembly shops, and are due to fly around next spring, with Nos. 9 and 10 closely following them in final structural assembly. Parts of all the others are now also moving towards the final assembly stage, with the result that many of the sub-contractors on the early part of the production programme have completed their tasks. This is causing some problems for the manufacturers, for the question is how to keep those sub-contractors involved in the programme, pending more orders for the aircraft from the airlines, or at least further authorisations from the two governments for work on the next six Concorde (Nos. 17 to 22) in anticipation of those orders.

Military work

There is not yet an "in-house" problem so far as the Commercial Aircraft Division of BAC is concerned. Any slack that is created through the completion of its own share of early Concorde assembly work is being taken up with military work being moved in from the Military Aircraft Division or with other civil activity—notably, the manufacture of struts for the Rolls-Royce RB-211 engines for the Boeing 747 Jumbo jet. But there is no doubt that everyone associated with Concorde is anxious to see the start of airline services, in the hope that these will generate the orders upon which the future of the programme depends.



Concorde in British Airways livery: the aircraft is moving towards completion of its flight test programme and the award of the Certificate of Airworthiness.

Short of a major disaster, there is no reason to believe that the Certificate of Airworthiness will not be granted on schedule. By mid-August, the flight test programme had involved 4,989 hours in the air, in some 2,259 flights, of which no less than 1,723 hours, in 1,346 flights, were at supersonic speeds. All through that programme, the airworthiness authorities have been clearing various technical aspects of the aircraft, and the purpose of the current "route endurance flying programme" is to log the final 880 hours in the air, turning the Concorde from a "manufacturer's aeroplane" into an "airline aeroplane," proving that it can stand up to the hammering that it will get in all weathers in airline service round the world. The French have completed their 440 hours share of the endurance flying, while the British have done just over 225 hours.

The route endurance flying, moreover, is helping both Air France and BA to perfect their own techniques for handling the aircraft, from the ticketing of passengers through to their final dispersal at the other end of their journeys. For many months, BA has been employ-

ing a constantly expanding team on Concorde activities of all kinds, seeking to find the best ways of handling the aircraft.

Those personnel in BA who had hoped to use Concorde's introduction as a lever for higher pay have now found themselves caught by the Government's anti-inflation policy. This is not likely to stop some unions from seeking rises within the £6 a week limit, but the pilots, many of whom are already sufficiently senior to be earning over £8,500 a year, do not now seem likely to be able to win the big rises they were hoping for.

The only way out of this would appear to be for the pilots to claim that flying Concorde represents a "new type of work," for which no rate has hitherto prevailed (other than for endurance flying), thereby involving the establishment of "new rates." Even so, however, the current climate is against the rise of several thousands of pounds of year for Concorde flying.

France plans to start services from Paris to Rio de Janeiro via Dakar, and Brazil has already agreed to allow regular fare-paying Concorde flights. BA plans to start with flights to Bahrain and Singapore, and then on to Australia, terminating at Tullamarine Airport, Melbourne. So far formal approvals for these routes have not yet been granted, although it is hoped that as a result of the recent flights through those points as part of the endurance flying programme they will be. Other negotiations are in progress for routes to Tokyo via the Soviet Union, and to other Far East destinations.

A proposed route to Johannesburg has had to be abandoned for the time being because of difficulties in getting a landing spot in Black Africa (Lagos has been sought, but has been refused). With barely 17 weeks to go before the start of regular services, British Airways shows some signs of concern at the slow progress in the route negotiations.

So far as Concorde flights to the U.S. are concerned, the situation is still uncertain. Although Concorde has made a number of visits to the U.S. during the flight-test programme, it

has met with a mixed response, varying from enthusiasm to outright hostility. The most important destination for BA and Air France is undoubtedly Kennedy Airport, New York, which is the key to the vital North Atlantic run on which Concorde's long-term success probably largely depends. Hitherto, despite major studies by the Department of Transportation and the Federal Aviation Administration into Concorde's effect upon the environment (the Climatic Impact Assessment Programme and the Environmental Impact Statement) which broadly argued that the effect of supersonic transports in general and Concorde in particular would not be as severe as many had originally claimed, much hostility remains, especially on grounds of noise at take-off and landing.

The FAA itself is now expected to publish some time this month its final Environmental Statement, which will be sent to the White House's Council on Environmental Quality and made available to the public. It is upon this that final FAA recommendations will be made to the U.S. Government on whether or not to permit Concorde to land in the U.S. But there is no guarantee that, even if those recommendations are favourable, they will be accepted by the local authorities and the communities surrounding major airports such as Kennedy.

Rumble on

Concorde's battle for U.S. acceptance is, therefore, far from over. It is probable that it will rumble on for many months yet, and even the airlines' original hope that it would be settled in time for them to start services in New York next April may not be fulfilled. The U.K. and French authorities are being cautious in their approach to the U.S. on this matter, determined to ensure that they do not either transgress the law or appear to be interfering in the domestic affairs of another country. Formal application for Concorde rights to fly to the U.S. has been made by the U.K. and France, under the terms of their respective bilateral air agreements. The manufacturers have also sought approval for specific methods of operating Concorde, such as by making a steep turn soon after take-off from Kennedy so as to avoid noise nuisance over surrounding built-up areas.

While there can be no disguising that U.S. rejection of Concorde would be a severe blow, it need not be a disaster. It is argued in the Concorde camp that a few months of Concorde services in other parts of the world—in Brazil, the Middle East, South East Asia and Australia, for example—would quickly prove not only how environmentally acceptable the aircraft is, but also how profitable.

If both factors prove to be favourable, it is argued, airline interest could mount quickly, and it might not be very long before what now appears to be entrenched hostility in some sections of the U.S. begins to erode. It is even possible that, with only a limited number of Concorde becoming available over the next few years, both BA and Air France will be under pressure from airlines in other parts of the world to let them share in Concorde flights, selling off to them proportions of available Concorde capacity.

It is an attractive theory. Whether it comes to pass depends entirely upon how well the aircraft performs once it gets into service. Much in turn depends upon the level at which Concorde fares are set. Both BA and Air France have been talking of a varying differential according to the route involved, with perhaps the highest being London-New York at first-class plus 18 per cent. At present, detailed plans are secret, since they are due to be presented to the next major International Air Transport Association fares conference in Nice in October. But it is likely that a major battle will have to be fought there by both airlines to get their own way.

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LORRAINE GOLD MINES, LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND No. 7

In May 1974 when the present expansion programme was announced, the Company stated that provided there was no marked fall-off in the gold price and no excessive escalation in costs, the full capital expenditure programme should be met from internal resources and that dividends at the then current rate of 6 cents a share could continue to be paid until increased profits commenced to flow as a result of the increased scale of operations. In September 1974, mainly because of high gold prices and consequent higher profits, it was decided to increase the dividend to 12 cents.

Since then, the mine has been faced with an unprecedented rise in working costs, a reduced rate of growth in the gold price and shortages of black employees, factors which have reduced profits, as shareholders will have noted from the quarterly published reports. The directors have therefore decided to recommend payment of a dividend of 6 cents a share for the year ending 30th September 1975.

Notice is hereby given that dividend No. 7 at the rate of 6 per cent, equivalent to 6 cents per share in respect of the year ending 30th September, 1975, has been declared payable to the holders of shares registered in the books of the Company at the close of business on 26th September, 1975.

The dividend is payable subject to conditions which can be inspected at the registered office or at the London Secretaries of the Company.

The dividend is declared in the currency of the Republic of South Africa. Payment by the London Secretaries will be made in United Kingdom currency and the date for determining the right of exchange at which the currency of the Republic will be converted into United Kingdom currency will be 29th September, 1975 or such other date as set out in the conditions. Warrants in payment of the dividend will be posted on or about 4th November, 1975.

The transfer books and registers of members will be closed from 27th September to 3rd October, 1975, both days inclusive.

The profit for the year is estimated at R9 287 000 (1974-R12 967 000). The dividend will absorb R964 000 (1974-R1 928 000). In accordance with the conditions of the Anglo-American Corporation loan the balance of the loan will be paid concurrently with the dividend, absorbing R230 000. Capital expenditure for the year is estimated at R8 948 000.

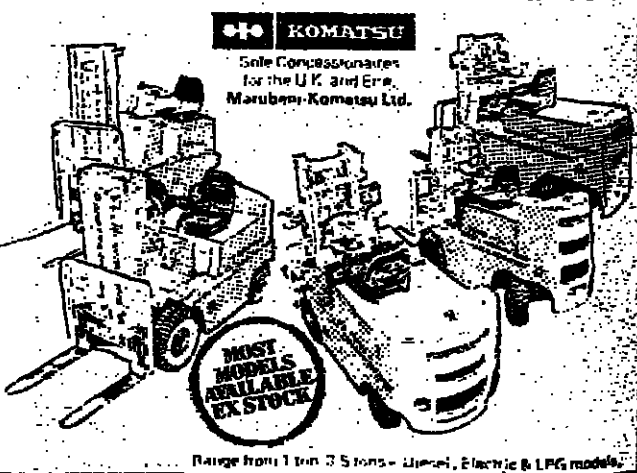
By Order of the Board,
ANGLO-TRANSVAAL TRUSTEES LIMITED,
London Secretaries,
Per: W. A. G. KENNY-LEVICK.

Registered Office:
Anglovaal House,
56, Main Street,
Johannesburg,
2nd September, 1975.

London Secretaries:
295, Regent Street,
London W1R 8ST.

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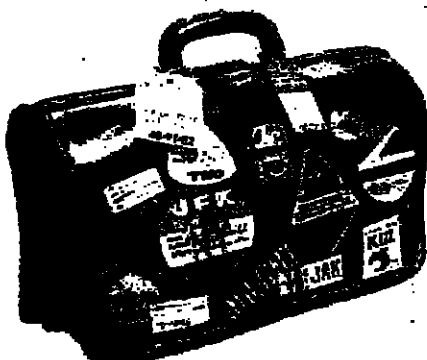
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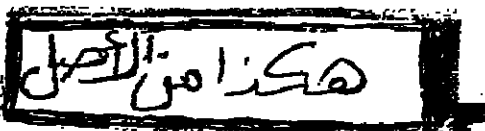
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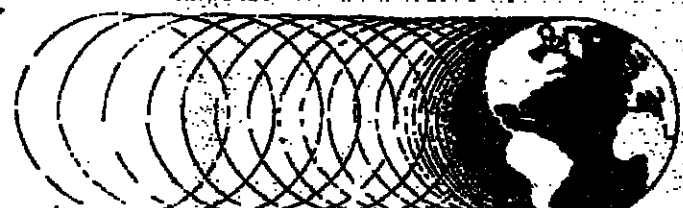
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Gold shares and bullion sustain another large setback

Equities quietly dull with share index down 1.3 at 322.1

For Gilt-edged it was mainly a day of consolidation, with the trend narrowly changing direction a number of times before

Discounts lacked support and drifted lower. Gerrard and National lost 10 to 280p and Union fell 7 to 315p. Allen Harvey and Ross, 330p, were unmoved by the interim statement. Merchant

Irregular following a reasonable business. Armitage Shanks hardened 2 to 48p in response to a Press mention, while Milbury, 60p., and G. W. Sparrow, 105p. put on 4 apiece. After Monday's rise of

Stores were idle and little changed. "Gussies" 'A' hardened a penny at 179p, but Marks and Spencer shed that amount at 107p. Henderson-Kenton receded 3 to 26p, but Raybeck, ahead of

Turner & Newall down
Narrow mixed price movement
were the order of the day in quiet
miscellaneous industrial leaders

A lull in the recent investment buying of Shell encouraged a few buyers and the price rose marginally to 38½.

rose 15 to 210p, while John Bean gained 4 to 22p and Carpets International edged forward a penny more to 62p; the last named's interim results are expected shortly.

Despite the relative steady

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

FIXED INTEREST											1975				Complaints			
		Index No.	Yield %	Mon. Sept. 1	Friday August 28	Thurs. August 28	Wed. August 27	Tues. August 26	Friday August 22	Thurs. August 21	Year ago (approx.)	High	Low	High	Low			
1	Consols 2 1/2% yield	---	15.91	15.90	15.98	14.18	14.17	14.17	14.14	14.24	15.41	---	---	---	---			
2	20-yr. Govt. Stocks (6)	---	51.01	12.78	51.45	50.41	46.93	49.95	50.06	50.06	49.63	45.20	53.09	38.27	115.42			
3	20-yr. Red. Deb. & Loans (15)	---	47.76	43.63	42.74	40.45	47.72	47.70	47.98	47.98	46.78	46.30	42.51	57.21	57.21			
4	Investment Trusts Prefs. (15)	---	46.53	14.86	46.58	46.58	48.86	48.81	46.90	46.81	46.77	59.45	47.18	55.11	55.11			
5	Comm. and Ind. Prefs. (20)	---	55.64	14.32	55.55	55.61	55.56	55.47	55.10	55.64	55.11	53.82	56.02	48.39	114.95			

Section or Group

Consols 2 1/2% yield

20-yr. Govt. Stocks (6)

20-yr. Red. Deb. & Loans (15)

Investment Trusts Prefs. (15)

Comm. and Ind. Prefs. (20)

Base Value

15.91

51.01

47.76

46.53

55.64

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Consols 2 1/2% yield

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51.01

47.76

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55.64

1974-75 commentary

A list of the constituent of the FT-Acton Shares index is now available from the Publishers: The Financial Times, Bankers House, Cannon Street, London EC4A 3DF. Related page 100

Constitutional 22a

Foreign 22a

CHANGE: Mercantile Credit

by Lloyd and Scotch

[illegible][illegible][illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS—Continued

INDUSTRIALS—Continued

PROPERTY—Continued

TRUSTS, FINANCE, LAND

TRUSTS—Continued

MINES

Stock	Price	Div	Yield	Cr	Tr
Admiral	120	10	8.3	1	1
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MOTORS, AIRCRAFT TRADES

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Commercial Vehicles

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Components

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SHIPPING

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SHOES AND LEATHER

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Recent Issues and Rights

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Rees promises stiffer action but rejects curfew call

BY GILES MERRITT

REJECTING CALLS by Loyalist leaders for a curfew and the imposition of martial law in South Armagh, Mr. Merlyn Rees, Northern Ireland Secretary, said this afternoon that military and police units will be further strengthened and the scope of their operations extended.

For security reasons, Mr. Rees refused to disclose details of the new methods authorised in this latest bid to halt the sectarian guerrilla war that last night reached a new pitch of violence with the attack by Republican gunmen on an Orange Order hall in Newtownhamilton, County Armagh, in which four people died and 12 were injured.

After a 24-hour flurry of meetings with his two top security advisers, Mr. Rees said that the Army, the Royal Ulster Constabulary, the RUC, Chief Constable Mr. Rees has decided not only to draft an unspecified

number of troops and police into the South Armagh area but to crack down on cross-border movements.

In a flying visit to the TUC in Blackpool today, he told the Public Society there was no question of Britain pulling out of Ireland. "We have a responsibility we cannot abdicate."

It is now increasingly certain that the South Armagh Republican Action Force, which has claimed responsibility not only for the earlier murders of two members of the Ulster Defence Regiment, is operating from a base in the Dualla region, just inside the Republic. Following today's high level contacts between the Dublin Government and Stormont Castle, a joint border security action is expected.

In recent weeks the British Army has re-thought its tactics on the border security problems in favour of a more flexible system

of hidden surveillance points and mobile helicopter-borne surprise road blocks. It is thought this operation will now go immediately into a more intensive phase, with many of the troop reinforcements ordered by Mr. Rees engaged on it.

On the RUC side, similar tactics are being adopted. Although the Provisional IRA in Dublin today "categorically denied" responsibility for last week's bomb attacks in London, Provisional activists are clearly playing a major part in the open sectarian war that has broken out in South Armagh.

The area is traditionally a Republican IRA stronghold and it now seems certain that the new Republican Action Force there embraces Provisional militants as well as gunmen belonging to the Marxist-oriented Irish Republican Socialist Party.

In the Republic, the 2,000 troops now stationed along the border were to-day placed on full

alert, while in the heaviest security operation since the aftermath of last year's car bombings in Dublin, Irish Army and Garda police road blocks scrutinised cross-border traffic closely. The screen of checkpoints, which also ringed Dublin, was ordered both as a measure aimed at the Republican city centre and timed to a serious bomb scare in Dublin this morning.

Police sources in the capital have revealed that a tip-off from a normally reliable source had warned of a car bomb planted in the city centre and timed to explode during this morning's funeral of former President de Valera "in retaliation for recent bomb blasts in the London area."

In a lengthy statement Mr. Rees has made it plain that the mounting violence in Ulster—and South Armagh in particular—is being seen as a breach of the Provisional IRA's self-imposed cease-fire.

U.S. plan for \$500m. aid prop to Egypt

By Michael Tingay

ALEXANDRIA, Sept. 3. THE U.S. Congress is to be asked to ratify a \$500m. economic aid package for Egypt as part of the price for signing a Sinai agreement.

Although this is double the figure which followed former President Nixon's visit to Egypt, U.S. officials feel confident that Congress will accept this since it represents less than a sixth of Israel's post-settlement aid package.

Dr. Henry Kissinger, the U.S. Secretary of State, is believed to feel that Egypt must be given as large an economic prop as possible to exploit the time gained by a settlement.

He flew to Saudi Arabia yesterday where he was reported by one of his officials to have discussed the approval of King Khalid for the interim Sinai agreement—described as an "extremely important" development by the aide.

Other matters on the agenda of his meeting with King Khalid at the mountain resort of Taif included U.S. military aid to Saudi Arabia and plans by the Organisation of Petroleum Exporting Countries to raise oil prices.

Later he was flying to Amman for similar talks with King Hussein of Jordan.

While the settlement in Sinai gives Egypt respite until 1977.

Lebanon raid

ISRAELI warplanes attacked an Arab guerrilla base in Southern Lebanon yesterday in apparent retaliation for raids across the border. All planes returned safely.

The date up to which President Sadat says he will renew the UN mandate, it gives little time for the development of Egypt's troubled economy.

Egypt has received \$800m. from Saudi Arabia, \$500m. from Kuwait and \$100m. from Qatar this summer to service its short term debts.

This does little for Egypt's problem of low productivity, falling consumption and a hopelessly low level of investment.

Some of Egypt's more perceptive economists are warning that money flowing in combined with post-settlement euphoria could create an irrepressible demand for increased consumption which Egypt cannot cope with at present.

Officials believe that the agreement will greatly help foreign investment confidence, but observers conclude that it could be at least five years before the necessary infrastructure for industrial production will be complete. It is with this in mind that Egypt's new 1976-80 five-year plan is being prepared.

Other Middle East news Page 5

THE LEX COLUMN Turner & Newall's dividend base

Turner and Newall's dividend looks safe for another year, even though some of its U.K. businesses have been through a very lean time. Profits after six months are nearly a fifth lower at £8.7m. pre-tax, at the pre-interest level, the European companies are down by about two-fifths thanks mainly to the problems of British Industrial Plastics—which may be £5m. or more lower. But the market for PVC and moulding powders appears to have stabilised so a better performance here, and in the automotive replacement market, should offset a weakening trend in construction over the rest of the year.

The overseas companies, meanwhile, are still doing better despite a downturn of perhaps £1m. at the strikebound Bell asbestos mine in Canada. The other mining interests are doing well, especially the Cassiar associate, and associate income as a whole should be substantially greater than in 1974 when there were special write-downs at the year end. Net financing charges are not going to get much higher and the overall impression is that 1975's profits decline could be limited to about a tenth—leaving something like £19m. pre-tax which would cover the gross dividend of 10.75p per share roughly 1½ times.

All this is not going to set the shares alight at 113p, down 4p on the day. But well over half the profits total now arises overseas. And the group's improving standards of disclosure also deserve recognition.

The interim statement includes a summarised balance sheet, which shows a modest improvement in the cash position and a further switch towards medium and longer term debt via syndicated bank loans.

See also Page 17

Smith Bros.

Smith Bros.' profits are just under a tenth lower at £1.4m. in the year to May, which is broadly in line with Bisgood's performance over a similar period. Just about all the profits were made in the second half, and the figures owe a great deal to Smith's widening range of trading. Around the start of the year it moved into food shares, and more recently it started dealing in textiles and insurance. So it has been able to withstand a very sharp contraction in the gold share market, which accounted for about two-fifths of its business at one stage.

Elsewhere, profits have held up "reasonably well" — for example, on the heat exchange and sporting ammunition sides.

—while the building products

Index fell 1.3 to 322.1

Trading has obviously become quieter since the year-end: unlike Akroyd, the other quoted jobber, Smith does not deal in gifts and its yield is a couple of points higher at 13.7 per cent with the shares at 47p. The

contribution was actually higher than a year with some evidence of falling in the trade. This should have its main effect on the current half, though the lower level of activity in divisions with a deterioration in fluid since June.

Finance charges—unlike Akroyd, however, are usefully lower in 1974 because of lower capital needs: the fall in copper price from the 1974 peak has now worked its way through the system, making no forecasts, but are external hopes, this group is at the bottom of a cycle with projections of 10 to 15m. against £12m. the year. And while the prospects in 1976 are strong at present, there is a consolation of a yield of per cent at 36p.

See also Page 17

Blackwood Hodge

After six months Blackwood Hodge is 50 per cent down £5.7m. before tax. Although the pace is now slowing but profits for 1975 are still £10m. (against £12m. in 1974). And while the group's earnings represent nearly a fifth of average net worth.

See also Page 16

IMI

Imperial Metal's warning in March that profits this year were unlikely to match the 1974 level has turned out to mean a fall from £11m. to £5.8m. pre-tax at the half-way stage, before a £1.5m. downturn into the red on the metal stock account. The engineering recession started biting sharply in the middle of the first half—especially affecting demand for a wide range of copper-based products, while the downturn on the steel power side was more severe than expected. The problems of the zip fastener interests grew even worse—as shown by a minorities loss of £300,000, against a profit of £400,000—not only because of continuing tough Japanese competition but more particularly because of the textile recession.

Elsewhere, profits have held up "reasonably well" — for example, on the heat exchange and sporting ammunition sides.

—while the building products

See also Page 16

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Kiwi to shut U.K. shoe care factory

By Kenneth Gooding, Industrial Correspondent

KIWI INTERNATIONAL, the Australian group, is to close its U.K. plant at Ealing, London, "because of adverse political and industrial conditions in the U.K. and in the U.K. operations."

U.K. membership of the EEC. About 150 people will become redundant when the Ealing plant, which makes shoe care products, is phased out of production by the end of the year. It has been incurring losses for at least two years.

Elaborating on the situation last night, Mr. J. W. Ramsay, Kiwi director and chief executive of the U.K. operations, pointed out that Britain's confirmation of its Common Market membership allowed his company to rationalise European production in the face of static demand.

The French factory, at Rouen, which has fewer employees than that at Ealing but is more modern, will become the European production base.

Mr. Ramsay commented: "People outside the U.K. take a less sanguine view of this country's prospects than perhaps some of the British do."

In Australia, a company spokesman said: "The decision by the U.K. to stay in the Common Market means there will be no duty barriers between France and the U.K. within two or three years."

The spokesman said that Kiwi had come to a decision some time ago that it would be better to centralise manufacturing and obtain economies of scale. "We had two factories 200 to 300 miles apart—unfortunately with the English Channel between them."

Kiwi's own sales force has already been cut severely because U.K. distribution of the shoe care products was switched this week to Food Brokers.

Mr. Ramsay stressed: "This does not mean that Kiwi is withdrawing from the U.K. market. We are just closing down the production facilities. In fact, our marketing and selling efforts should improve as a result of the change in distribution arrangements."

Jobs warning will temper support for £6 pay policy

BY JOHN ELLIOTT, LABOUR EDITOR IN BLACKPOOL

THE TWIN problems of wages and unemployment will dominate the key debate of this year's annual Trades Union Congress here to-day when delegates will temper an overwhelming approval of the Government's £6 a week pay policy with sharp warnings about the measures they expect Ministers to take to save jobs.

Regularly throughout the first two days of the Congress here in Blackpool the subject of unemployment has cropped up and, while the speakers to-day will be split about the £6, they will be spelling out virtually the same message about Government measures on unemployment.

At the same time delegates will be diverted by a small resolution from Mr. Clive Jenkins' ASTMS which opposes the use of the law in wage bargaining and which has been gathering increasing backing during the past two days from unions such as the national and local government officers and the teachers who are using it as a way of

staging a small scale demonstration of their worries about the £6.

This ASTMS resolution might now just be approved but it will not affect the main decision of the Congress which will be to approve the £6 policy by voting against the TUC's policy document and a similar resolution by a 2-1 majority.

Yesterday however, the construction trades disappointed supporters of the policy by deciding to vote against the document as well as casting their other votes with the opposition groupings of unions.

Mr. Jack Jones of the Transport Workers will be the main speaker to-day apart from Mr. Len Murray, TUC general secretary, in favour of the policy and not the TUC's policy document.

The scene was set for this debate yesterday when Mr. Fred Mulley, Education Secretary, addressed the Congress as the fraternal delegate from the

Labour Party.

Embracing the twin subjects of inflation and unemployment, he said: "Unless the rising tide of inflation is checked and then reversed, it will engulf us and destroy not only our own Government but everything we in the Labour and trade union movement stand for. At the same time, and to a considerable extent because of inflationary problems, we have an unacceptable level of unemployment which is rising and which will almost certainly get worse before it gets better."

He spoke to the Congress shortly before the Left-Right political split in the TUC and in individual unions helped to lead to Mr. Roy Grantham of APEX, the old clerical workers' union, being removed from his seat on the TUC General Council in the annual elections and Mr. Roy Birch, the "Marxist" executive member of the engineers being elected to the council in place of his union's Right-wing general secretary Mr. John Boyd.

Conference report Page 11

Mr. Len Murray, TUC general secretary, promises to raise the question of conspiracy laws with the Prime Minister.

Mr. Murray said that the 1972 building workers strike, which began outside the conference hall, was a "disgrace" and that the TUC would see the P.M. with an agreement to despatch immediately a message to the Home Secretary reaffirming the Congress' views on the need for the early release of Mr. Warren.

At the centre of the demonstration was Mr. Eric Tomlinson, recently released on parole after being imprisoned at the same time as Mr. Warren. Both men were convicted on common law conspiracy charges following

picketing incidents during the 1972 building workers strike.

Mr. Warren's application for parole after serving two years of a three-year sentence is still being reviewed.

Their case has become a cause celebre for left-wing militants who have become increasingly frustrated at the TUC's failure to satisfy their demands for industrial action to secure Mr. Warren's release.

The demonstration, which began outside the conference hall, was organised by the North Wales defence committee for the pickets and the Liaison Committee for the Defence of Trade Unions—both Communist organisations.

As they returned for the afternoon session delegates were joined by some 200 demonstrators, many of whom then man-

aged to gain entry to the public gallery.

Speeches demanding industrial action to free Mr. Warren were loudly cheered by the protesters. But cheers turned to anger when Mr. Tom Breakell, president of the Electrical and Plumbing Trades Union, said his union would not support the claimant for Mr. Warren's release.

Mr. Tomlinson barraged the platform with demands for a hearing and Mrs. Patterson jumped to her feet shouting at Mr. Tomlinson to get out.

Eventually he was restrained by his supporters and left the gallery to rejoin demonstrators outside the hall where, in tears, he said: "It breaks my heart to hear of Dick Warren being persecuted. I would do anything to get him out."

Full report, Page 11

Continued from Page 1

Hard winter ahead

for the pleas being made to the U.S. Treasury secretary, said bluntly that he disagreed with those who believed that the U.S. should commit itself to further refinancing activity. Its overriding aim was to restore stable growth and the main danger remained inflation.

The British and several other governments, however, feel that these strictures should not be taken too seriously now that the U.S. economy is clearly expanding again and the rise in real gross national product in the second quarter is likely to rather

strength during the rest of the year.

Moreover, as the Presidential elections approach, government policy is likely to become increasingly expansionary.

Some of the more perceptive economists are warning that money flowing in combined with post-settlement euphoria could create an irrepressible demand for increased consumption which Egypt cannot cope with at present.

Officials believe that the agreement will greatly help foreign investment confidence, but observers conclude that it could be at least five years before the necessary infrastructure for industrial production will be complete. It is with this in mind that Egypt's new 1976-80 five-year plan is being prepared.

Other Middle East news Page 5

Continued from Page 1

BL warns of cuts

MP for Chorley, has written to the Department of Employment about the impending strike at the company's bus and truck division based at Leyland and Chorley.

The 9,000 shop floor workers voted for strike action from September 15 after reaching deadlock with the company over the interpretation of the government's pay code in relation to a wage deal signed in July before the White Paper on inflation came into force.

The company says that the De-

Cadbury seeks £1.1m. damages from LRC

BY MARGARET REID

A CLAIM for £1.1m. of damages has been made by Cadbury Schweppes, the confectionery and soft drinks group, against LRC International, from which it took over Courtenay Wines International in a £2.5m. deal in 1973.

The action, which is related to accounting information provided at the time of the acquisition, is being strongly resisted by LRC, which denies the claim.

A note to LRC's report and accounts says that Cadbury Schweppes began proceedings against the company in June this year, alleging breach of certain warranties given in connection with the sale of the shares in Courtenay.

"Although it has provided no details as to how the figure is calculated, it is claiming approximately £1.1m. in damages," the note goes on.

It continues: "In the light of the advice which the company has received it has instructed its solicitors to defend the claim."

Those proceedings and in the circumstances no provision for the claim has been made in these accounts. "In the year to March 31, 1975, LRC's pre-tax profit fell to £2.4m. from £3.0m. in 1974."

Agreeing that a claim in the region of £1m. had been made, a spokesman for Cadbury Schweppes said yesterday: "We

are disputing the reliability of the accounting information on which the purchase price was based."

LRC commented: "They have entered a writ against us and we are dealing with it in the normal course of the law," adding that the warranties in question had been "the normal ones you would expect in a deal of this nature."

Courtenay Wines is a wholesale concern with a variety of agents and agencies on the Continent. It includes the Andre Simon wines and the three shops under that name in London.

In his annual statement in May as chairman of Cadbury Schweppes, Mr. Adrian Cadbury told shareholders that a dispute existed with LRC over the purchase of Courtenay, and that a claim had been put in the hands of the company's legal advisers.

The amount of damages claimed has not, however, been disclosed until now.

Discussing Cadbury Schweppes' wine and spirits business, Mr. Cadbury stated that 1974 had been a difficult year for the wine trade because of surplus French wines from 1973 and 1974. "The 31, 1975, LRC's pre-tax profit fell to £2.4m. from £3.0m. in 1974."

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Weather

U.K. TO-DAY
SHOWERS, sunny periods in most areas. Mostly dry in S. and E. England. W. England, E. S.E. and Cent. S. England, E. Anglia, E. Midlands, Channel Islands.

Fog patches. Sunny periods later. Mostly dry. Wind mainly W. light. Max. 18C (64F).

N.E. and W. and Cent. N. England, N. and S. Wales, W. Midlands, Lakes.

Showers, becoming brighter. Wind W. light. Max. 18C (64F).

Business Centres

1 day mid-day 1 day mid-day

Alexandria 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

London 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Manchester 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

1. of Man. Borders, Edinburgh, Dundee, Aberdeen, S.W. Scotland, Glasgow, Cent. Highlands, Moray Firth

Showers, sunny periods. Wind W. to N.W., moderate. Max. 17C (63F).

N.E. Scotland, Orkney, Shetland. Sunny periods, showers. Wind W. to N.W., moderate. Max. 14C (57F).

N.W. Scotland, N. Ireland. Sunny periods, showers. Wind W. to N., moderate or fresh. Max. 16C (61F).

Outlook: Changeable. Mostly dry in S.

Lighting-up: London 20.14, Manchester 20.37, Glasgow 20.39, Belfast 20.44.

HOLIDAY RESORTS

1 day mid-day 1 day mid-day

Alaska 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31